

JUNE 1, 1940

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Railway Age

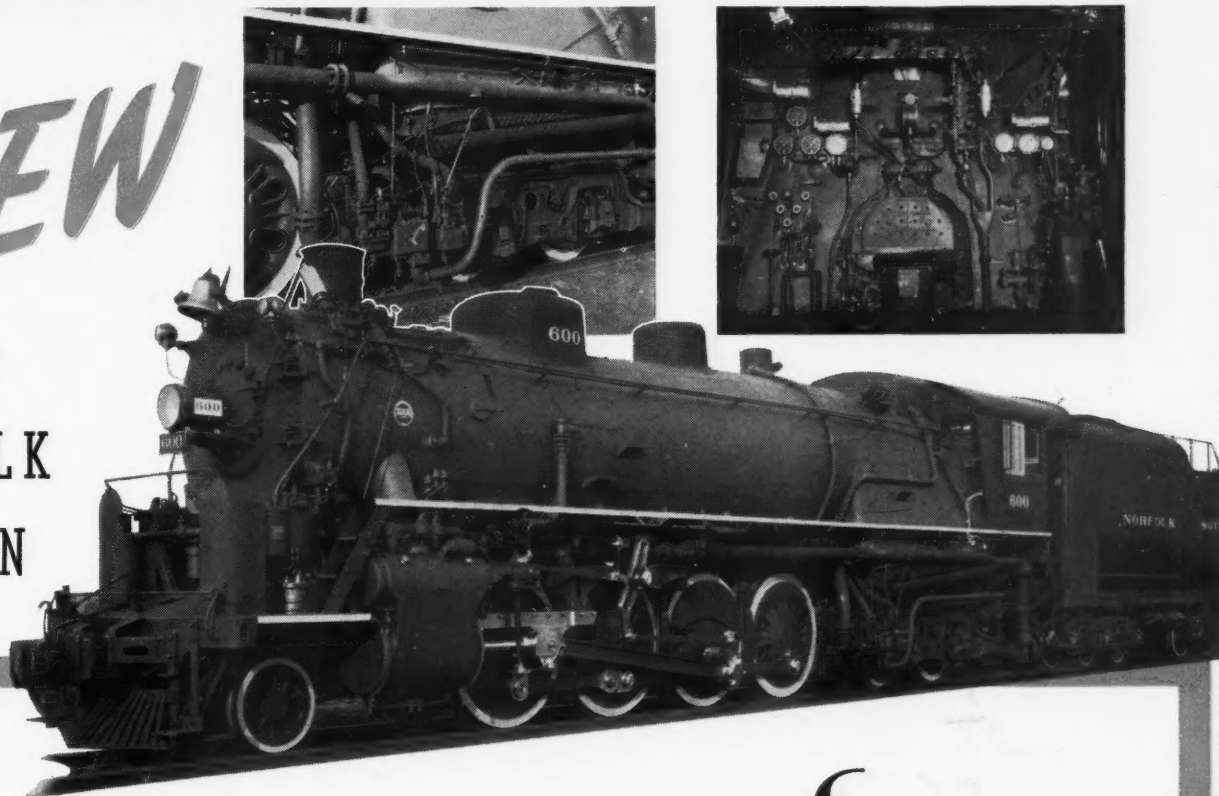
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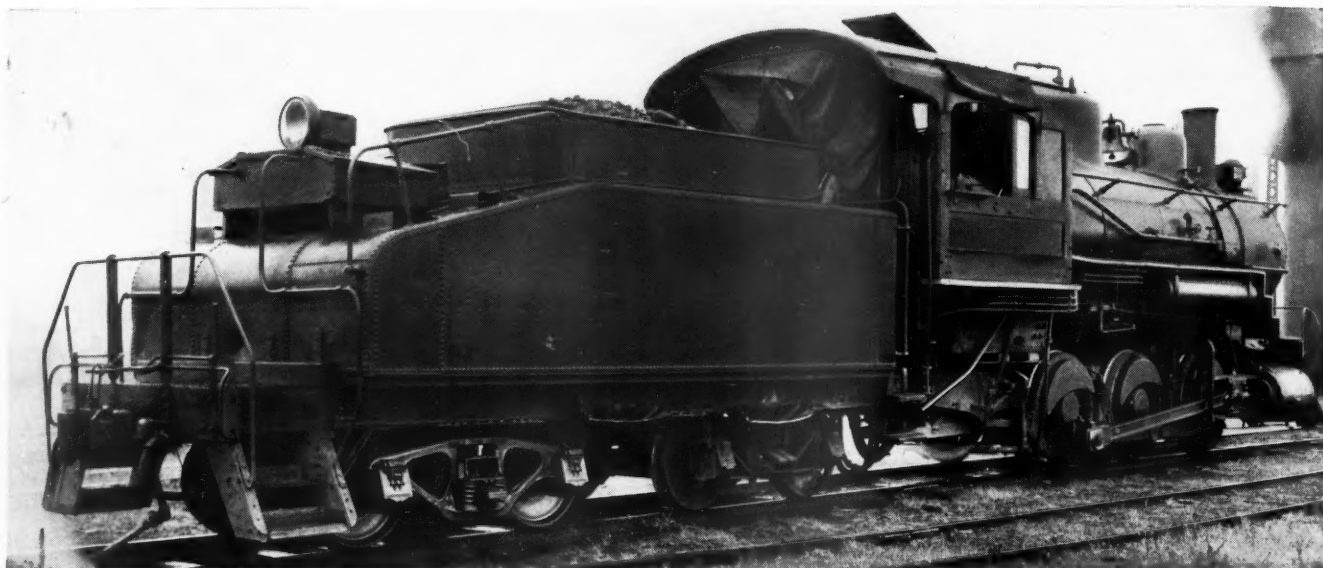
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Economic Plus Military Preparedness Necessary

The second World War is presenting to the United States some problems similar to, and others quite different from, those presented by the first World War. Both politically and economically the present problems are more difficult than those of twenty-five years ago; mistakes in dealing with them seem much more likely to be made; and serious mistakes might be much more disastrous now than they would have been then.

Twenty-five years ago the national debt was only 1 billion 200 million dollars; now it is almost 45 billion. The annual expenditures of the federal government were then only $\frac{3}{4}$ of a billion dollars; now they are 9 billion. We were then having a mild and brief depression, but it followed almost twenty years of the greatest economic progress and prosperity in history. We are now in a much worse depression which already has lasted ten years. We then had true democracy in government and lightly-taxed free private enterprise in business. We now have a political system under which millions of votes are virtually or actually bought with the taxpayers' money and a private enterprise which is no longer free—which is excessively and unequally regulated and heavily taxed, and numerous branches of which are subjected to government-subsidized competition.

How Accomplish Economic Preparedness?

Within its first two years the former World War stimulated business in this country, railway freight traffic—the best measure of total production and commerce—being 30 per cent larger in 1916 than in 1914; and it was further stimulated by our own nation's military expenditures after it entered the war. While it lasts the present World War also undoubtedly will stimulate business in this country after we become adjusted to its effects; and our business will be further stimulated by the largely increased expenditures for national defense for which our government is now providing. But the experience of the last decade should surely have taught us that *government* expenditures, whatever their magnitude or purpose, are no substitute for *business* expenditures as a means of causing economic progress and prosperity. For during this decade we have had more government expenditures, and less economic progress and prosperity, than ever before in history.

There is virtually no opposition to an adequate military program of national defense, whatever it may cost. But whether the *military* program will actually accomplish its purpose of national defense will be determined largely or mainly by what the government does besides spending for defense. For *economic* preparedness is as important under modern conditions as *military* preparedness. The former is the essential foundation of the latter; and the former is vitally important in both peace and war, while the latter is vitally important only in war.

Economic preparedness can be accomplished in only one way—by putting all the country's available capital and workers to work *producing needed useful things*; all the things needed to meet all the ordinary reasonable requirements of all the people, as well as the things needed for military purposes. This is not an easy task. Although their governmental and economic systems were so widely different, it was not accomplished before the present war, and is not being accomplished now, in either Germany, Great Britain or France.

The Examples of Germany, Great Britain and France

The totalitarian government of Germany, with its absolute control over every political and economic process, succeeded in putting every available worker to work for long hours, and actually created a labor shortage; but it used capital, plant and man-power so largely for producing armament that there was not enough production of other things to provide a decent standard of living for the people. In Great Britain, where there was more "business as usual" under a private enterprise system, there was enough production, in spite of some unemployment, to provide a much higher standard of living; but there was not enough production of armament and training for war, with the result that recently Great Britain has had to adopt totalitarian Germany's policies of virtually conscripting all property and man power and of lengthening hours of work. In France for some years until a short time before the war began a "popular-front" government consisting principally of socialists and communists adopted policies similar to our New Deal, including reduction of working hours, advances in hourly wages, reduction of production and largely

increased government expenditures without corresponding increases in taxes, resulting in hugely unbalanced budgets. Faced with the imminent threat of war, a conservative government was put in power which rapidly reversed these New Deal policies, with consequent increases of production all along the line and reduction of budget deficits.

Utilizing Our Unused Plant, Capital and Man-Power

The experiences of all these countries have stern lessons for the United States—for our statesmen, for our business men and for our labor and its leaders. In spite of our present lack of military preparedness and of such adverse political and economic conditions as have been mentioned, we have some conditions that are favorable as compared with those existing here in 1914. We have much more unused productive and transportation capacity, more unused capital and more unemployed workers. Consequently, if we adopt sound economic policies we can secure in a short time a much larger increase in production both for maintenance of a high standard of living for our people and for military purposes than was practicable during the last World War. But this increase of production cannot be accomplished without the adoption of sound economic policies that will put all existing plant, all available capital and all available workers to work; and declarations that the "social benefits" of certain policies must be conserved and even enhanced while military preparedness is being accomplished have an ominous sound.

All social benefits and advances must be derived from the production of needed useful things. Consequently there can be no increase in social benefits and no social progress for the people as a whole that are not derived from and based on economic progress—that is, derived from and based on increased production of needed useful things. And our country's own experience, especially during the last decade, and the recent experiences of Germany, Great Britain and France, all teach that adequate production of all the useful things needed for maintaining a decent standard of living, for preparing for war and for carrying on war require great exertion by a country's entire people.

"Social Benefits" Depend on Economic Results

The productive power of our industry per capita is much greater than it ever was before; but the people of the United States demand a higher standard of living than they ever did before; preparation for war, and especially war itself, require much greater production than ever before; and even the utmost capacity of modern industry has proved in Germany, Great Britain and France entirely inadequate to provide a decent standard of living for those behind the lines while meeting the demands of huge navies and mechanized armies and air forces.

Confronted with these facts, there apparently are nevertheless many in this country who believe the government of the United States can and should add the expenditures necessary for military preparedness to its present indebtedness and huge expenditures for other purposes and go ahead carrying out or encouraging "social" policies of curtailing working hours, increasing hourly wages and so on. This is as dangerous doctrine as ever was taught to any people. Expenditures for military preparedness should be substituted for, not added to, other expenditures of the federal government. Taxes should be increased to reduce government deficits, because huge government deficits lead straight toward inflation, and inflationary advances in prices have been one of the principal causes of revolutionary disturbances, and even revolutions, in almost every country where such disturbances or revolutions have occurred. All the policies of our government, business and labor should be directed in the present crisis in our affairs, first, to increasing the production of needed useful things, and, as means to that end, second, to the curtailment of all government expenditures not required to promote military preparedness and, third, to curtailing government deficits.

Railway Unions Make Demands Disregarding Conditions

How little understanding there apparently is of what are sound economic policies and the necessity of adopting them is illustrated by demands that organized labor is now making upon the railways. Fourteen unions have asked them to provide annual vacations with pay. Whether the employees actually took their vacations or not, the effect on operating expenses would be the same as an advance in wages. There are reports that other unions are preparing to ask not only for vacations with pay, but also for the employment of men in places where they are not needed and other things that would increase operating expenses. Such demands wholly disregard both the economic necessities of the nation that are created by present worldwide conditions, and what the railways will need in order to perform their part in providing for national defense.

Railway employees are now being paid higher wages than ever before, and in addition are benefiting by unprecedented taxes being levied on the railways to provide employees with security after their retirement from service. When, following the report of the President's Emergency Board against it, the application of the railways for a 15 per cent reduction in wages was withdrawn in 1938 there was held out to the railways a promise of co-operation by the Roosevelt administration and the labor unions that would result in legislation and other changes that would be of more value to the railways than the reduction in wages. Proposed legislation by Congress was, however, defeated by a coalition of the five transportation brotherhoods and Big

Business opponents of waterway regulation; and a year and a half after the report of the President's Emergency Board was made, the railways have received nothing whatever to compensate them for abandoning the wage reduction. Naturally, therefore, the western lines have promptly replied to the fourteen unions that if they persist in pressing their claims for vacation allowances

the western lines will concurrently seek a 10 per cent reduction in wages.

The Needs of the Railways and National Defense

The railways have ample track and yard capacity for handling probably 50 per cent more than their present traffic. They showed last fall that with present equip-

Are R. R. Truck Competitive Rates Too High?

There is information in the motor carrier reports being filed with the I. C. C. which leads inevitably to the conclusion that the unusual expansion of the trucking industry during the past few years, under the beginnings of regulation, is due largely to a railroad rate structure which—ignoring present-day conditions—invites the trucks to pick-and-choose higher-rated volume traffic. There is evidence also that the 1938 increase of 10 per cent in railroad rates, and the concerted action since then to bring truck rates up to the railroad level, has operated to the trucks' advantage.

The I. C. C. statistics, starting with 1937, show that, while tons handled and truck-miles decreased 9 per cent in 1938, nevertheless operating revenues declined much less than traffic did—and the trucks' net operating revenue was 290 per cent higher in 1938 than in 1937. The railroad rate increase in 1938 was "money from home" for the trucks.

Then, in 1939, the higher rate level enabled the trucks really to begin to "work on the railroads." Tons handled increased 26 per cent in the first 9 months of 1939 and truck-miles increased 23 per cent, but total revenues increased 28 per cent and net operating revenue increased 140 per cent. In 9 months of 1939 the trucks had net earnings over twice as great as in the entire year 1938. The higher rate level is the only explanation for this upsurge in truck prosperity—the rates brought more "cream" into being, and all the truckers had to do was skim it. They did.

The trucks' weighted average revenue approximates 50 per cent of official first class and their operating costs are only slightly lower than their revenues. Terminal expenses account for something between one-fourth and one-third of their total expense, and their line-haul and total cost increased in approximate proportion with tons hauled and miles traveled. A reduction of 10 per cent in the rate level would cause them to show a 5 per cent deficit.

It would not be necessary for the railroads to reduce their revenues from class rate traffic nearly as much as 10 per cent to reduce truck revenues more than 10 per cent—and thus force them to retire from traffic which the railroads can serve more economically. Railroad freight rates (ignoring present competitive realities) progress on a downward curve, starting with 100 per cent straight line progression for the first 100 miles, two-thirds of the initial progression between 100 and 300 miles, and at only one-half the initial progression beyond 300 miles.

According to the traffic test in Docket 15879 made in 1926, 15 per cent of the total class rate traffic moves 100 miles and less, 30 per cent moves for distances between 100 and 300 miles, and 55

per cent moves for distances greater than 300 miles. This test, made 14 years ago in the most populous area in the country, probably overstated the proportion of short-haul tonnage even at that time. Since then, the much greater loss relatively of short-haul serves to accentuate this overstatement. But, taking this obvious overstatement as the basis, suppose the railroads should reduce their class rate revenues in the following percentages:

Miles	L. C. L.			CARLOAD Column 25 and Higher (per cent)
	1st Class and Higher (per cent)	2nd Class (per cent)	3rd Class (per cent)	
100 and less ...	20	15	10	15
100 to 300	15	10	5	10
300 and over ..	10	5	5	5

Is it not probable that such reductions would result in an immediate decline of less than 8 per cent in class rate revenues? Is it not even more probable that such a reduction would at once force the trucks to retire from a large volume of traffic they are now handling, thus quickly overcoming the 8 per cent, more or less, loss which railroad class rate revenues might suffer at the outset? And suppose, while making these reductions, the railroads should also:

1. Petition the Commission for an order requiring the trucks to show cause why they should be permitted to engage in any movement at rates less than their average unit cost.

2. Couple this with a searching inquiry to develop the locations where the railroads themselves might profitably substitute truck service for costly rail movement of merchandise and carload traffic in terminal, short-haul and branch line service.

Would not such a step insure immediate added traffic to more than offset the reduction made in rates—not even considering the great gains, should the trucks be required to desist from making non-compensatory rates?

These percentages of reduction are suggested after careful study of many factors, including the danger of decentralization. If no consideration is given to decentralization and considering only for-hire carrier competition, it probably would not be necessary to reduce rates on l. c. l. third class or carload traffic, as a whole, beyond 300 miles—but private carrier costs might make it necessary to make more drastic reductions on carload traffic, in particular instances, beyond 300 miles, and even within 300 miles. It would not be necessary, however, to reduce rates below a profitable basis to recover the large part of the traffic now moving in privately operated trucks.

If there are errors in this analysis, we should be very glad to have them pointed out.

ment they can handle probably 35 per cent more than the 700,000 carloads a week that they are handling right now. But their peak weekly traffic in October, 1939, was only 862,000 cars, as compared with a peak of 1,203,000 cars, or 40 per cent more in the fall of 1929. Therefore, in helping prepare for national defense they must be able largely to increase their stock of locomotives and cars; and they must also be able to buy more materials and employ more men to improve and better maintain all their facilities.

Now, experience has demonstrated that the amount of equipment and materials they can and will buy is determined by their net earnings. In the ten years ending with 1930 their net earnings averaged about one billion dollars annually. In 1939 they were less than 600 million. In the first third of 1940 they were at an annual rate of only about 650 million. Carloadings have since been increasing more than seasonally and promise to continue doing so, the result of which doubtless will be to make net earnings for the year exceed this figure. But, plainly, current net earnings do not, from the standpoint either of the railways or of the nation, warrant burdening the railways with any increases whatever in operating costs or taxes. On the contrary, it would be greatly in the national interest to enable them to reduce their operating costs in order

that they might employ more men at work needing to be done and increase their buying of equipment and materials.

A Lesson from France

The railroad example is simply one example of conditions existing in industry generally. We have been doing, are still doing and are being urged to continue doing what was done in France, with the result of causing that country to become involved in a war of life or death in a condition of economic unpreparedness. Apparently all the sane policies later adopted in France by a conservative government came too late. Totalitarian Germany, whatever else may be said of its policies, did put everybody to work for long hours producing needed useful things; and totalitarian Germany seems in a fair way speedily to win the war.

This is now no world in which any nation can safely disregard what is necessary to put it in a condition of both economic and military preparedness. This country is now more economically unprepared for war than ever before in its history; and no number of "fifth columnists" can possibly do it as much harm as those who may selfishly or ignorantly hinder putting it in a state of economic preparedness.

Estimated and Actual Tonnage on Inland Waterways

The Army Engineers when studying proposed waterways for submission to Congress for authorizations and/or appropriations for construction, make an estimate of the tonnage that will move over the proposed waterway. With a few exceptions such estimates greatly exceed the tonnage that subsequently moves on the waterway after its construction. This fact was plainly demonstrated in the debate on the Tombigbee project when considered by the United States Senate recently. A few examples are as follows:

Tennessee River: District Engineers estimated 7,682,000 tons of commerce would move on the river when improved and by the time the improvement was completed (1940) the traffic would be doubled, or 15,364,000 tons. The traffic for the calendar year 1938 was 1,063,814 tons (13.8 per cent of the estimated tonnage).

Missouri River: The Army Engineers estimated 3,729,437 tons of commerce would move over the river. For the calendar year of 1938 the tonnage was 497,901 tons or 13 per cent of the estimated tonnage. (This estimate was made for the construction of a 6 foot channel which was provided.)

Allegheny River: The traffic was estimated at 5,980,000 tons. The tonnage for the year 1938 was 2,353,782 tons, or 39 per cent of the estimate.

Mississippi River (Upper): A Special Engineering Board predicted 9,000,000 tons of commerce would use the river when completed. In 1938 the tonnage was 2,598,988 tons or 28.8 per cent of the estimate.

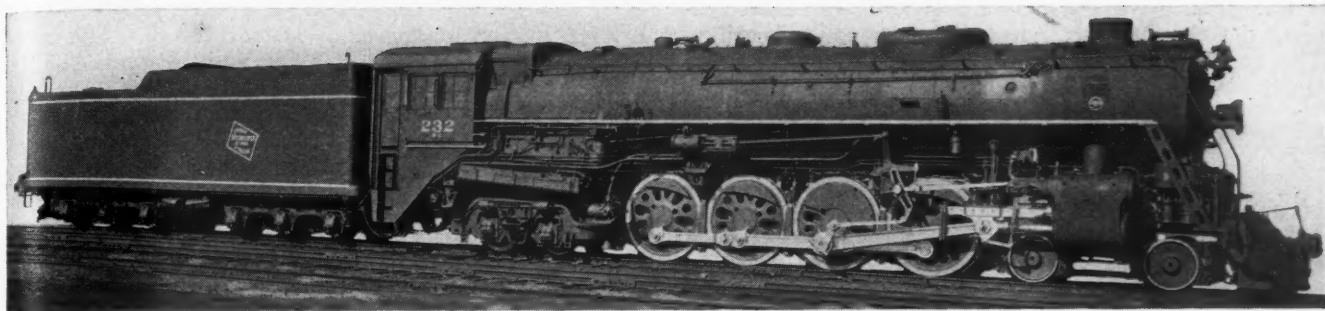
Illinois Waterway (Chicago to Grafton, Illinois): The Army Engineers predicted traffic at 8,330,000 tons. The tonnage for the calendar year 1938 was 4,446,493 tons or 53 per cent of the estimate.

That the economic justification may exceed the annual cost of proposed waterways, several new factors are now used by the Army Engineers in making their estimates of savings in transportation and benefits to the public. One is the "recreational value" and the second is "benefits to National Defense."

It seems rather far fetched to ask the taxpayers to build waterways for the recreation of a chosen few. Nor does it seem feasible for our country at war to place such high value on inland waterways when time and speed are most essential.

This theory of "justification" was somewhat exploded when the National Resources Committee, speaking through its waterway committee and reporting to the President on a proposed waterway, said regarding these new factors:

"In the opinion of the Water Resources Committee the benefit ascribed to national defense, land value and recreation are speculative and should be given careful scrutiny as to the effect that their acceptance may have upon the formation of a national policy." . . . The Report of the Special Board states that "the principal railroads serving the Southeastern States furnish adequate facilities either through or into the territory adjacent to the proposed waterway."



A High-Capacity Freight Locomotive for the C. M. St. P. & P.

Milwaukee Buys 4-8-4 Type Freight Locomotives

Ten Baldwin-built engines have high boiler capacity—Similar to thirty purchased from this builder two years ago

ABOUT two years ago an order of 4-8-4 type locomotives was delivered to the Chicago, Milwaukee, St. Paul & Pacific by the Baldwin Locomotive Works. These locomotives, with large grate area and heating surface, were designed primarily for freight service.* A second order of ten locomotives of the same type and designed to the same general dimensions and proportions, with some differences in detail, have recently been delivered to this road by the same builder.

These freight locomotives develop a tractive force of 70,800 lb. The driving wheels are 74 in. in diameter and the cylinders 26 in. by 32 in. The boilers have an evaporative heating surface of 5,467 sq. ft. and a superheating surface of 2,336 sq. ft. The grate area is 106 sq. ft. The boilers carry a working pressure of 285 lb. per sq. in.

The total weight of the locomotives has been increased 3,100 lb. over those of the earlier order. By a redistribution of the weight, however, the weight on drivers

has been increased about 6,800 lb. There is no appreciable difference in the combined weight of engine and tender.

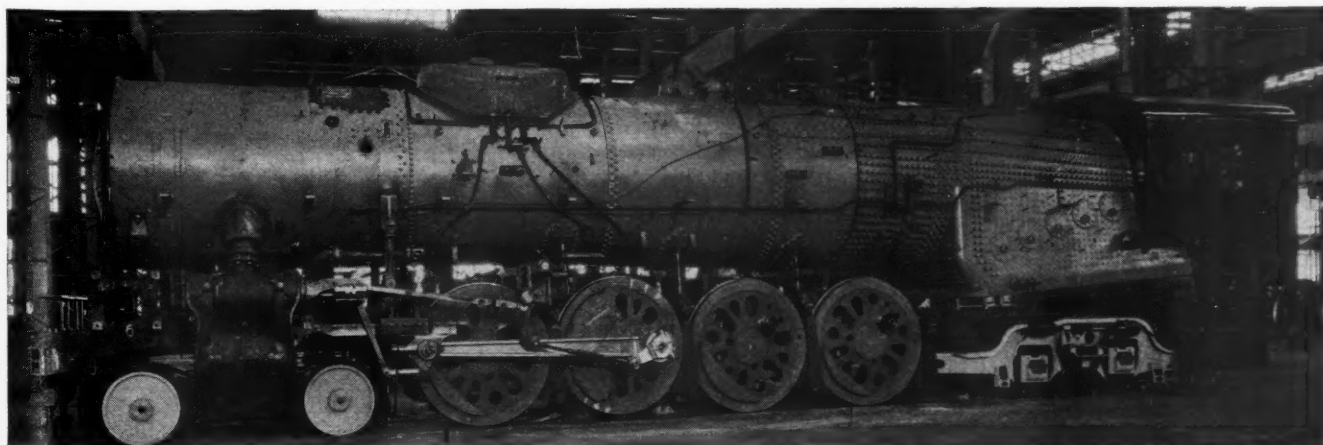
The boilers are of the conical-connection type with roof, side and wrapper sheets of silico manganese steel. The joints of all the sheets of the firebox and combustion chamber are butt welded, and an unusual amount of seal welding has been done on the wrapper and throat sheets and on the barrel seams.

Each firebox is fitted with five American Arch circulators and one is installed in the combustion chamber. The locomotives are fired by a modified type B du Pont stoker and have Firebar grates with 20 per cent air openings.

The locomotives have the Wilson feedwater heater, the hot well of which is located about half way back in the tender tank. The boiler equipment also includes the Barco low-water alarm and Wilson sludge remover. In the front end is an Anderson spark arrester.

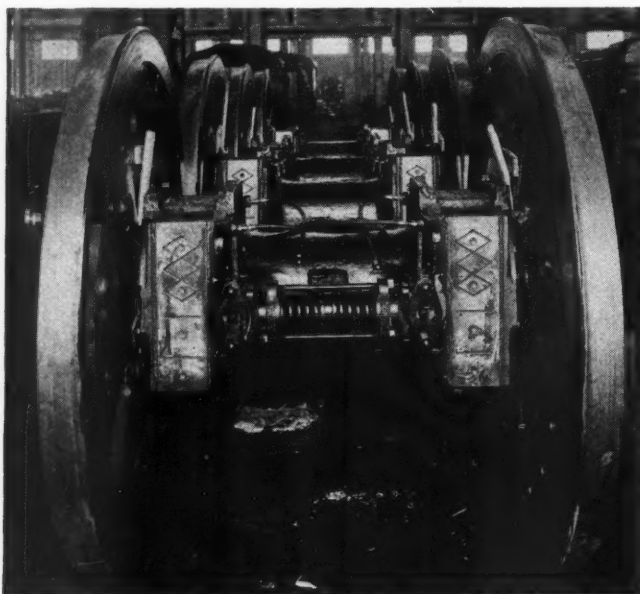
The foundation of these engines is the Commonwealth bed casting with integral cylinders and back cylinder

* See the *Railway Age* for April 20, 1938, page 761.



One of the Locomotives in the Erecting Shop

heads. The driving wheels are Boxpok cast-steel centers, and the journals run in Timken roller bearings. The engine trucks have Timken inside roller-bearing



A Set of Driving Wheels Ready for the Locomotive

journal boxes and both trailer axles are fitted with American Steel Foundries roller-bearing units.

The main and side rods are fitted with floating bushings on all crank pins, with fixed bushings of Hunt-Spiller gun iron in the rods. The cylinder and valve-chamber bushings are also of this material, and the pistons have Hunt-Spiller valve bull rings with combination bronze and iron Duplex sectional packing.

Counterbalancing

A notable difference in the design of these locomotives lies in the method of counterbalancing. On the earlier locomotives, after counterbalancing all revolving weights and cross-balancing those in the main wheels, 39.5 per cent of the reciprocating weight balanced. On the new locomotive, the revolving weights are balanced in the same way. Instead of compensating for a percentage of the reciprocating weights, however, the portion of the reciprocating weights which remain unbalanced in relation to the total weight of the locomotive was used as a basis for determining the amount of reciprocating over-balance.

For these locomotives 3.52 lb. of reciprocating weight per 1,000 lb. of the total weight of the locomotive were left unbalanced. The total weight of reciprocating parts on each side is 2,309 lb., of which 1,739 lb. remain unbalanced. The balance for the remaining 570 lb. is distributed 120 lb. in the main wheel and 150 lb. in each of the front, intermediate and back wheels. Less over-balance is placed in the main wheel than in either coupled wheels to compensate for the vertical component of the horizontal inertia forces of the reciprocating parts and the piston load brought about by the angularity of the main rod. The determination of the revolving and reciprocating portions of the weight on the main rod is based on the center of percussion rather than on the center of gravity. The center of percussion was determined by actually swinging the rod as a pendulum about the center of the crosshead pin.

At diameter speed the dynamic augment due to the

overbalance in the front, back and intermediate wheels is 7,700 lb. and for the main wheel 6,160 lb. The comparable values for the earlier locomotives are 11,285 lb. in each of the first and main wheels, 12,300 lb. in the third wheel and 11,400 lb. in the fourth wheel.

The tender is built up on a General Steel Castings water-bottom underframe and is carried on two General Steel Castings six-wheel trucks. The trucks have 7-in.

General Dimensions and Weights of the C. M. St. P. & P. 4-8-4 Type Locomotives

Railroad	C. M. St. P. & P.
Builder	Baldwin
Type of locomotive	4-8-4
Road class	S-2
Road numbers	231 to 240
Date built	1940
Service	Freight
Rated tractive force, engine, 85 per cent, lb.	70,800
Weights in working order, lb.:	
On drivers	289,147
On front truck	84,963
On trailing truck	119,940
Total engine	493,550
Tender	394,300
Wheel bases, ft.-in.:	
Driving	19- 3
Rigid	12- 10
Engine, total	47- 4
Engine and tender, total	96- 1/2
Driving wheels, diameter outside tires, in.	74
Cylinders, number, diameter and stroke, in.	2-26x32
Valve gear, type	Walschaert
Valves, piston type, size, in.	14
Maximum travel, in.	7 1/2
Boiler:	
Steam pressure, lb. per sq. in.	285
Diameter, first ring, inside, in.	90 3/16
Firebox length, in.	150
Firebox width, in.	102 3/4
Combustion chamber length, in.	72
Circulators, number	6
Tubes, number and diameter, in.	66- 2 1/4
Flues, number and diameter, in.	201- 3/4
Length over tube sheets, ft.-in.	21- 0
Fuel	Soft coal
Stoker	Modified Type B, du Pont
Grate area, sq. ft.	106
Heating surfaces, sq. ft.:	
Firebox	294
Combustion chamber	137
Circulators	105
Firebox, total	536
Tubes and flues	4,931
Evaporative, total	5,467
Superheater	2,336
Combined evap. and superheater	7,803
Feedwater heater, type	Wilson
Tender:	
Type	Water bottom
Water capacity, gal.	20,000
Fuel capacity, tons	25
Trucks	Six-wheel

by 14-in. journals which are fitted with American Steel Foundries roller-bearing units with SKF bearings. The Simplex unit-cylinder clasp brakes have one brake cylinder per truck. The Franklin Type E-2 radial buffer is applied between the engine and tender. The locomotives have Westinghouse 8ET brakes with two 8 1/2-in. cross-compound compressors.

The general dimensions and weights are shown in the table.

* * *



The Rutland Uses Marble Slabs for Rip-Rap on Its 3-mi. Lake Champlain Fill Between Colchester Point, Vt., and South Hero



Telephone Communication on the L. & N.

Interoffice conversation on most of the railroad is handled by railroad-owned facilities, including interconnected private automatic exchanges

An Agent Uses His Outside Telephone to Serve the Public, and His Inside Telephone to Communicate With Other Railway Offices

TO meet the need for immediate communication between its general offices, shops, storehouses, enginehouses and yards in a terminal, and also between widely separated terminals and intermediate towns, the Louisville & Nashville has recently added to its already extensive system of telephone intercommunication until it now extends from Cincinnati to New Orleans. This extension of facilities has been made in accordance with the policy of providing adequate telephone facilities and encouraging their use as a means of expediting the working of the railroad as a whole.

This complete telephone system has been found to facilitate the handling of ticket reservations for passengers; the prompt supply of empty cars for shippers; the early movement of loaded cars; the checking of applications of tariffs, etc. Also, the ordering of supplies, parts and equipment by telephone in emergencies has made possible the concentration of storehouses at the principal central locations, thereby reducing stocks of materials as well as store expenses. In such emergencies, typed requisitions, etc., are sent later by mail as a matter of record. In the majority of instances in which quick action is needed, it is possible to reach decisions or take action, hours or even days sooner than would be possible by the use of the mail or available telegraph service. Some telephones are in use a majority of the time, others are used intermittently, while still others, provided primarily for emergencies, are used but rarely. On the whole, each phone is used an average of about four times an hour during office hours.

Intercommunication as Compared With Outside Calls

Studies made on the Louisville & Nashville show that approximately 85 to 89 per cent of the conversations over a telephone on the desk of a railroad officer or employee are in communication with other persons within the railroad organization, whereas only 11 to 15 per

cent are with the outside public. Another important fact determined by the study was that the conversations between railroad offices and outside parties, which had to do with strictly railroad business, involved only about 20 per cent of the phones required on the railroad as a whole. Another point noted was that a telephone used

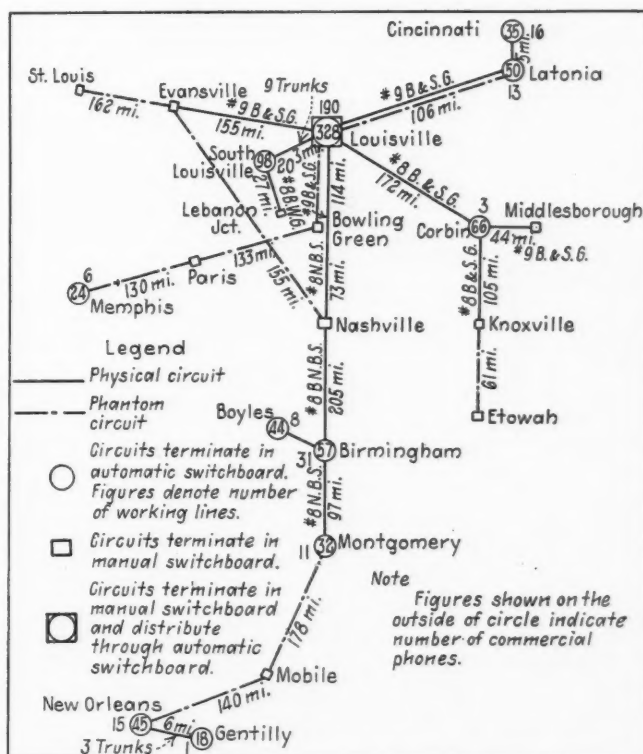


Diagram Showing the Extent and Capacity of the Louisville & Nashville Intercommunication Telephone System

for both outside and railroad intercommunication was frequently in use in one service when another call was waiting on the other service.

The conclusions were that economical and efficient service necessitated a privately-owned telephone system for intercommunication between persons within the railroad organization, and the utilization of public telephone service for communication with outside parties. At outlying points the commercially-owned telephone is connected to the regular telephone exchange, and is assigned an individual number. Where numerous rental telephones for communication with outside parties are located at one point, as, for example, in the general office and terminals at Louisville, all the "outside" telephones in the building and terminals are connected to a manually-operated switchboard in the building, with trunks extending to the telephone company's main exchange, the same call number applying to all incoming trunks, as, for example, WA 1121. These "outside" phones cannot, of course, be used for intercommunication be-



Left—A Car Inspector Explains That the Equipment for a Train is Ready

Below—The Foreman in a Freight House Advises the Traffic Clerk That a Shipment Has Arrived



tween persons on the railroad; all this service is provided by separate phones connected through private automatic exchanges. The Louisville & Nashville owns and maintains these private automatic exchanges as well as all the communication line poles on its right-of-way, including line wires and office equipment for its telegraph as well as its telephone systems.

The arrangement of two separate telephone systems requires no duplication of equipment except for a comparatively few strictly private offices. In the vast majority of instances, the telephones are so located that they are accessible for use by two or more persons. For example, on the basis of the study mentioned previously, and excluding the private offices for the time being, it was found that about one "outside" phone to six "inside" phones, under average conditions, resulted in both types of equipment being utilized efficiently. Thus duplication of equipment does not prevail with respect to the vast majority of the telephones. Two separate telephones are provided in private offices, in the offices of ticket and freight agents, traffic departments, etc. This arrangement has proved to be of advantage in serving the public for, when an outside party telephones for a ticket reservation, or concerning the location of an incoming car of freight, the person receiving the call can use the railroad telephone to secure the information which in turn is repeated to the outside party. This procedure eliminates

the necessity for breaking the outside connection and then calling again, with resultant delay and interruptions of business to both parties involved.

Adoption of Automatic Exchanges

Some 25 years ago, when analyzing the problems of intercommunication within a railroad organization, the Louisville & Nashville recognized the advantage of automatic exchange systems as a means of providing 24-hr. service with capacity to handle peak demands and at the same time avoid variations in the speed of switchboard service, mistakes resulting in wrong numbers, and the operating expense, entailed in manually-operated switchboard systems. On this basis a policy was adopted of installing private automatic exchange telephone systems at all the more important points on the railroad.

A feature of some of the private automatic exchange installations is a recording and checking system for night watchman service, certain existing telephones used for regular service also serving as watchman's stations. The time required for a watchman to cover his beat from one station to the next is determined, and the recording apparatus is arranged accordingly. If a report code fails

to come in from the next station on the watchman's tour within the allotted time, a special indication is shown at the central office, and a railroad policeman is dispatched to look for trouble in the area between the two watchman's stations. The quick timing provided by this arrangement has been exceedingly helpful in apprehending thieves, and in one instance resulted in saving a watchman's life.

Location and Interconnection of Exchanges

The accompanying diagram shows the location of the Louisville & Nashville exchanges over the system. The digits within the circles indicate the number of lines or telephones which can be served by each exchange, although spare capacity is provided beyond immediate needs. The most recent installation was a 50-line exchange at Latonia, Ky.

The L. & N. general office is located in Louisville,

Ky. The principal shops, storehouses, etc., are at South Louisville. Shops, yards, enginehouses, etc., are located at outlying points near other cities such as Latonia, Ky., four miles from Cincinnati, Ohio, Boyles, Ala., four miles from Birmingham, and Gentilly, La., seven miles from New Orleans. Nine circuits, known as trunks, interconnect the exchanges at Louisville and South Louisville, and likewise three or more trunks connect the other main terminals and shop points mentioned above. These trunk circuits are for use in either direction, the establishment of "incoming" and "outgoing" trunks not being necessary with automatic equipment.

The exchanges in the principal terminals are interconnected by long-distance circuits, as shown in the diagram. Thus all the exchanges are interconnected, either by the trunks for short distances, or the long distance lines for extended mileages. A total of 797 telephone lines are in service in all the exchanges. The exchange systems are arranged so that the dial on any phone can be used to call any other phone in the same or any other exchange on the railroad. In some cases calls are established by dialing through two or more exchanges, the Louisville & Nashville being the first railroad to utilize this arrangement of through dialing for such service.

No restrictions are in effect concerning the use of telephones within an exchange or between exchanges connected by several trunks, as, for example, between Louisville and South Louisville or Cincinnati and Latonia. The capacity of the long-distance lines is, of course, limited, a fact that is known by the entire personnel of the railroad. A few suggestions, and a little monitoring at infrequent intervals, encourages all concerned to make long-distance conversations as brief as practicable. The service, by common consent, ranks in preference as follows: (1) emergency cases originated by any one, (2) passenger ticket reservations, (3) routing of freight traffic, (4) official preferential calls, etc. The decision whether a telephone call will serve a useful purpose in expediting an important matter, as compared with handling by mail, is left to the judgment of the individual or, in case of doubt, to the man in charge of the office or department. Even though the through-dialing arrangement may result in some idle time on the long-distance lines, the utilization of this idle time does not, except in perhaps a few instances, justify the installation and operation of manually-operated switchboards for the long-distance circuits.

Service at Intermediate Stations

In addition to the automatic exchange systems at the more important points and long-distance circuits between offices at major terminals, telephone service is provided at the stations on the more important divisions so that the agents can communicate quickly with the operating or traffic department concerning cars required or cars loaded and ready to be moved. This service is ordinarily handled on one circuit on each division, the calling being accomplished by selective ringing, similar to that used in telephone systems for train dispatching. In addition to the forms of telephone service for intercommunication which have been described above, the Louisville & Nashville also has telephone train dispatching service under the jurisdiction of the train dispatchers on many of the divisions, for handling train orders and messages concerning the movement of trains.

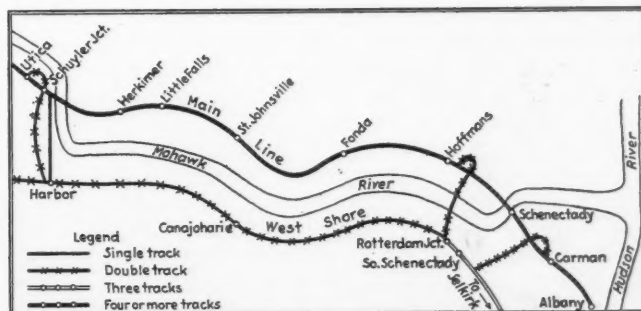
The telegraph and telephone systems on the Louisville & Nashville were installed and are maintained by forces of the telegraph department under the general jurisdiction of J. C. Metcalfe, superintendent transportation, with H. W. Burwell, engineer in charge of technical

developments, installations and maintenance, and R. O. Kessack directing day-to-day operation. The automatic exchange equipment, telephones, etc., in all the systems in this service were furnished by the Automatic Electric Company, Chicago.

N. Y. C. Diverts 200 Trains Around Blocked Line

IN a 30-hour period during which its four-track main line was completely blocked at Little Falls, N. Y., by the equipment of the derailed Lake Shore Limited, the New York Central succeeded in diverting some 62 regular passenger trains in both directions over the two-track West Shore with an average delay of 2 hr., 6 min. (including time consumed in reverse movements of several trains "pocketed" by the derailment), and a total of 34 manifest freight trains, with delays as low as 30 min. per train.

When the "Lake Shore" derailed as it rounded Gulf curve at 11:30 p. m., April 19, it blocked all four tracks of the Central's Mohawk division on a section which



Map Shows the Mohawk Division Between Utica, N. Y., and Albany—Connecting Roads and Branches Not Shown

carries 31 scheduled passenger runs westbound and 30 eastbound and, with extra sections and specials, averages some 80 passenger trains in both directions in 24 hours on the two designated high-speed tracks. In addition an average of from 40 to 50 freight trains a day traverse the two freight tracks. During the blockade all passenger-trains and manifest freight trains (without their usual complement of empty cars), ordinarily handled over the main line, were operated via the paralleling West Shore on the south shore of the Mohawk river between Schuylers junction and Carman, a distance of 78 mi. with a minimum of delay. The West Shore between those points customarily carries two or three local freight and a milk train in either direction daily. But it is frequently called upon to handle through freights when traffic on the main line requires, so that the diversion routing was by no means abnormal.

The complete severance of railroad communication lines by impact of derailed equipment made control of train movement difficult. Information of the derailment reached tower 26 at Herkimer through an outside party over commercial wires, whence it was "patched" to Syracuse and back to the dispatcher at Albany, N. Y., via West Shore lines. Meanwhile linemen worked at the scene of the derailment and made several direct wires "good" by the use of twisted pairs by 6 a. m., April 20.

At the east end of the emergency route passenger trains were passed to and from the West Shore over the two-track connection via Carman and South Schenectady,

(Continued on page 974)

Must Spend to Hold L.C.L. Traffic

Success of Claim Division's enlistment of shippers against loss and damage told at annual meeting

RAILROADS must spend money to improve their equipment, their deliveries of shipments and their methods of handling consignments if they expect to retain their l. c. l. business, according to conclusions reached at the forty-ninth annual session of the Freight Claim Division of the Association of American Railroads at Chicago on May 21-23. This judgment had for its basis the rapid improvements in service that are being made by truck operators and the growing tendency of shippers to measure definitely the relative value of the service of each form of transportation and route their l. c. l. shipments accordingly.

The meeting, over which chairman Parks C. Archer, general claim agent of the Alton, presided, was attended by more than 350 representatives of the railroads. Officers elected for the ensuing year were: Chairman, Parks C. Archer, re-elected; first vice-chairman, A. E. Pasman, freight claim agent of the Erie; and second vice-chairman, C. D. Hart, assistant general claim agent of the Atchison, Topeka & Santa Fe. W. E. Lawson, freight claim agent of the Chicago, Indianapolis & Louisville, was chosen chairman of the appeal committee.

The future of l. c. l. business was discussed in connection with the report of the Committee on the Prevention of Loss and Damage, which showed that while claim payments of l. c. l. traffic decreased \$673,123 or 12.2 per cent in 1939, the relation of loss and damage payments to freight revenue on this class of traffic continues high on certain railroads. It recommended a stricter supervision over receiving, checking, loading, stowing and delivery operations at freight houses. As evidence that shippers are closely scrutinizing and measuring the performance of the railroads, the recently organized L. C. L. Transportation Committee of the Atlantic States Shippers Advisory Board was cited. This committee, consisting of 15 shippers and receivers, is investigating the operation of freight handling facilities to determine why railroads are losing and trucks gaining l. c. l. traffic. Circuitous routing of unrouted shipments, delay at transfers, the carting of large single l. c. l. shipments direct to destination instead of to intermediate transfer points, the disinterest of some railroads in the solicitation of l. c. l. shipments, condition of cars, and the precautions and methods employed on platforms and during loading and stowing are also being studied.

The practice of the American Tobacco Company, which buys 10 million dollars of rail transportation a year, was likewise cited to show that the railroads must spend money to develop their service and facilities in order to retain l. c. l. traffic. The district traffic managers of this company, which ships less than 10 per cent of its products by truck, recently inspected 16 freight stations to determine whether they have the proper facilities and men with which to handle shipments safely and expeditiously.

Uniformity in Settlements Brings Results

The foundation for a gradual but steady spread of a greater uniformity in the adjustment of claims has been laid, according to Chairman Archer in his address, and

the results are reflected in the claim account for 1939. "A high light in the statistics," he said, "is the decrease in the loss and damage payments on fresh fruits, vegetables and melons of some \$875,000, as compared with 1938, the total payments on this commodity group being the lowest recorded for many years. The record for promptness in the investigation and adjustment of loss and damage claims also kept pace with that established during the past few years, a total of 93.7 per cent of all claims filed have been adjusted within 90 days and a large proportion of this percentage have been paid within 10 to 15 days after presentation by claimants.

"The importance of continuing this prompt and equitable adjustment of claims should not be minimized, for while we will never, under the most favorable circumstances, be able to eliminate all loss and damage to freight, we can make these transportation failures less burdensome to our patrons by investigating and adjusting promptly those claims which it is necessary for them to file.

"Except for this prompt, lawful and equitable handling of our loss and damage claims, the most important function of the Division is undoubtedly the continued prosecution of our program of preventing loss and damage to freight. This work is under the immediate jurisdiction of the Committee on Prevention of Loss and Damage, whose chairman, together with the entire membership of that committee, have given freely of their time and energy during the past year.

"Their efforts, together with the splendid co-operative assistance rendered by such organizations as the Car Service Division, the Freight Container Bureau, the Bureau of Explosives, the Freight Station Section, the Protective Section and the Shippers' Regional Advisory Boards, have, in my judgment, established a record for safe handling of freight that has not been equalled since loss and damage statistics have been maintained by the Division. I am sure that I voice the sentiment of the entire membership in expressing my sincere appreciation to this committee and to those who have aided and supplemented their activities."

Claim Payments Influenced Only by Legal Liability

C. H. Buford, vice-president, Operations and Maintenance Department, of the Association of American Railroads, commended the Division upon bringing about so satisfactory a situation in claim settlements. He said in part: "Your first and most important responsibility is the prevention of loss and damage to freight, and I want to congratulate this Division for the thorough and efficient manner in which it is handling claim prevention work. We must not, of course, lose sight of the fact that the various divisions and sections of the Association of American Railroads, including the Mechanical Division, the Freight Station Section, the Protective Section, the Freight Container Bureau, the Bureau of Explosives and others have contributed very substantial aid to this general program, but inasmuch as the responsibility for the reduction of loss and damage is yours, the results obtained must likewise be credited to your organization.

I am particularly proud of the results obtained in 1939, when your loss and damage account reached a record low, both in the amount paid out in loss and damage claims and the ratio which this payment bears to freight revenue.

"It is pleasing to note the enthusiasm that has been aroused on the part of so many patrons of the railroads in this subject through activities of the Car Service division and the shippers advisory boards. I trust that your organization will appreciate more and more the possibilities for co-operation on the part of our thousands of patrons in maintaining and improving this low loss and damage record, and that you will continue to encourage this splendid partnership which has been set up and observed each year in the Perfect Shipping and Careful Handling Month. The way in which the patrons of the railroads are co-operating in this work indicates very conclusively that they want their goods transported without any loss and damage, and that should be your goal.

"Your second responsibility is the prompt and equitable adjustment of claims for loss and damage to freight and their distribution among interested member lines under the provisions of freight claim rules. It is obvious that the original organization, i. e., the Freight Claim Association, in its early efforts, laid the foundation for a fair and equitable distribution of claim payments among member lines. It has stood the test during the succeeding years, and it has been necessary to make only minor amendments to these rules from time to time. The success of this method for the interline distribution of amounts paid may, as I see it, be accounted for largely through the adoption of the direct investigation plan, supplemented by the arbitrary debit arrangement and by the setting up of arbitration machinery for the adjustment of all controversies that might arise in connection with claim distribution. To understand how efficiently the Division has taken care of this phase of freight claim work, it is only necessary to compare the relatively insignificant amount that the railroads as a whole carry in their loss and damage unadjusted account today with the tremendous sums that were carried in suspense previous to the time these practices were inaugurated.

Uniformity Achieved

"The Division, in its adoption of Principles and Practices in 1933, and by promoting the establishment of perishable inspection agencies in the larger markets throughout the country, has insured, so far as it is possible to do so, a uniformity in the payment of these items by the various member lines that should, and I believe will, eliminate to a very large extent, if not altogether, any possibility of claim payments being influenced by any other factors than the laws governing carriers' legal liability.

"Through the adoption of these mandatory provisions for safeguarding the payment of loss and damage claims, and by policing the situation through the establishment of the Freight Claim Review Bureau, it is doubtful whether the Interstate Commerce Commission or the Federal Trade Commission will ever again have occasion to criticize the railroads from the standpoint of irregularities and discrimination in the payment of their loss and damage claims, and I wish to commend this Division for having brought about so satisfactory a situation.

"In closing, I urge that this Division zealously guard the underlying fairness in your Principles and Practices. There can be no question about the soundness of settling freight claims in a way that is fair to the claimant and fair to the carrier. To do this, settlement must be predicated on the general theory of restricting payments to

carriers' legal liability. Bear in mind that we have had, and doubtless always will have, certain claimants who want to collect greater amounts than are reasonably due, and there is a constant temptation for some carrier to agree to these claims, particularly when the favorable routing of competitive business is one of the factors to be considered. Study carefully any suggested changes in Principles and Practices and do nothing that will not be fair in every sense between shipper and carrier and between carriers themselves."

Shippers and Receivers Fight Loss and Damage

A more extended review of the progress made by shippers, receivers and railroads to combat loss and damage to freight was made by the Committee on the Prevention of Loss and Damage. Its report said that, "Of the accomplishments in loss and damage reductions through the years, the Committee considers three situations to be particularly noteworthy. First, the reduction of 84 per cent in the per-car claim rate on eggs from \$17.15 in 1921 to \$4.88 in 1939 is a graphic reminder of the value of protective packing of this fragile commodity. A further improvement, providing more room for long eggs and moisture-proofing of flats, is expected to accomplish a further considerable reduction in the risk of damage. There is only one really troublesome situation existing at the present time in connection with this traffic, which is, however, being given special handling with the interested lines, with a view of remedying conditions.

"The second special accomplishment relates to losses by theft, which in 1939 were cut to an all-time low mark of \$407,742, while, related thereto, concealed losses, the third item, were at the extremely low figure of \$54,074. Thefts amounted to approximately one cent per loaded car, which condition justifies particular commendation of the efficient operations of the railway police personnel of the member carriers, which are coordinated through the Protective Section of the Association of American Railroads. The Committee has called attention to the protection afforded by printed tape, where tape is used for sealing fibre boxes, in an illustrated folder issued to the membership, of which about 150,000 copies were distributed. In addition, the Committee is still of the opinion that metal binding appropriately applied to packages also affords an excellent safeguard against tampering.

"Most prominent in your Committee's public relations work is the annual Perfect Shipping Campaign, 1940 being the fourth consecutive year in which April has been set aside as the 'Perfect Shipping and Careful Handling Month.' There has been a steady increase in interest in this co-operative effort on the part of shippers and carriers to reduce loss and damage, sponsored by the Regional Shippers Advisory Boards and their national association. This year there were approximately 500 meetings held, at points throughout the country, with attendance of more than 50,000. It is the earnest hope of your Committee that all of our member lines will maintain a follow-up of this campaign throughout the year, in order that the forces which have been put into motion may be kept in the proper channel, because it is believed that by so doing the loss and damage prevention idea may be kept alive in the minds of not only carriers' representatives but of shippers and receivers of freight as well.

"Opportunity is here taken to record the effective co-operation which was extended in this year's campaign by the Railway Express Agency and its representatives in all territories by the local freight agents associations at common points in all parts of the country, by the ter-

ritorial freight claim conferences, which work so closely with the Car Service Division's district managers in the thirteen sections of the United States—and last, but not least, to the individual railroad men, in various branches of the service, who lent their time, interest and efforts. The stamp of approval given to the campaign by governmental authorities was gratifying and definitely helpful.

"The Committee expresses its appreciation of the splendid co-operation received from the shippers advisory boards and various individual shippers and receivers and their organizations, not only in connection with the April campaign but continuously throughout the year. Likewise to be commended and thanked for similar co-operative efforts are the large number of traffic and transportation clubs, chambers of commerce, Rotary, Kiwanis, and other service clubs at many points all over the country, both large and small. The Committee also desires to record its excellent contacts had with the board of directors of the National Livestock Loss Prevention Board and its recognition of the educational work carried on by the "4-H Clubs" and by the national and state departments of agriculture and agricultural colleges, many of which are actively stressing the factors related to the safety of agricultural products in transportation."

Field Men Want Schooling

A school, at which field men can secure a background that will assist them in the investigation and handling of claims was recommended by 125 field men at their meeting held on May 22 in conjunction with the Division's session. This school, according to the field men, should convene frequently for three or four days at points of advantage. During the school, experts in every line of industry would outline their manufacturing processes and transportation problems and the field men would visit plants and transportation facilities. The proposal was taken under consideration by the Division.

* * *



Courtesy Official Information Bureau of Switzerland

Head-On View of the Entrances To the Double Simplon Tunnels At Brig, Switzerland. As Is Apparent, the Tunnel At the Left Was Opened In 1905 And That At the Right In 1921

N. Y. C. Diverts Trains

(Continued from page 971)

while at the Utica end the connection between Schuyler junction and Harbor was used in both directions. Switches at all the affected junctions, except Harbor, are controlled by interlocking plants; hence no special arrangements were required except to place a switchman on the ground at the latter point with a direct telephone line to Schuyler. The West Shore is equipped with automatic block signals and all movements were made by signal indication, the only orders being instructions to flag over seven unprotected highway crossings until crews were relieved of the duty by the placement of temporary watchmen. In addition signal stations at Canajoharie and South Schenectady, normally closed, were opened to expedite the diverted movements. Time table instructions for the West Shore show a speed limit of 40 m. p. h. for passenger trains and 35 for freights.

Westbound trains No. 47, first and second 11, and 455 (a local) together with a pick-up freight and two trains of empties, were pocketed between the derailment and the W. S. connection at Hoffmans. The locomotives of the freights were used to pull back the three through passenger trains to Hoffmans, back them over the river to Rotterdam junction and on to Utica, while No. 455 was reversed and ran east representing No. 158 to pick up local passengers. Thereafter, until the main line was restored, passengers at intermediate points between Carman and Utica were transferred by cab to companion stations on the West Shore and mail and express were handled similarly by truck.

The eastbound main line passenger track at Gulf curve was made good for 10 m. p. h. at 12:25 a. m., April 21, and Train No. 36, the "Genesee," was the first through passenger train to go through. The westbound track was opened at 2:10 a. m., and thereafter all passenger trains were routed by the main line. During the period of blockage, 29 eastbound and 33 westbound passenger trains were routed via the West Shore. The average delay of all runs thus diverted was 2 hr., 6 min. The maximum delay, incurred by a train pocketed behind the derailment, was 4 hr., 20 min., while the minimum was 1 hr., 10 min.

Shortly after the derailment stop-orders were put out for freight trains at Selkirk, Utica and DeWitt (Syracuse), but most of the manifest trains scheduled for early morning arrival at terminals had already passed Little Falls and were unaffected. The order was lifted at about 9 a. m., April 20, when the W. S. was opened for freight operation. Since virtually all freights regularly enter and leave the main line at Hoffmans for movement to the Boston & Maine at Rotterdam junction and to Selkirk via the West Shore, the emergency routing affected them even less than the passenger trains which had to cross over twice. Classification eastbound at De Witt for New York, Weehawken, N. J., Boston, Mass., and B. & M. interchange was carried out as usual, except that trains were filled out solidly with loads until the main line was re-opened for passenger trains. During a 24-hr. period on April 20, 23 eastbound and 11 westbound manifest trains were diverted over the West Shore, with the result that delivery of freight at main terminals was hardly affected.

For approximately three days all freight trains were run via the West Shore until the two main-line freight tracks were vacated by steam-crane crews and rebuilt for normal service. The westbound track was opened at 11:45 a. m. and the eastbound at 10:30 p. m., April 23. According to the dispatcher's report, 50 freights were operated over the emergency route on April 21; 22 on April 22 and 32 on April 23.

Tie Men Face Problems

Consider specifications, manufacturing practices, timber conservation and checking and splitting at annual convention

APPROXIMATELY seventy-five men interested in the production and use of crossties for railway use gathered in Louisville, Ky., on May 14 for the annual convention of the Railway Tie Association. The program was confined to the reports of committees, supplemented by an address by G. O. Beale, chief purchasing and stores officer of the Chesapeake & Ohio lines, at the banquet that evening. Speaking extemporaneously, Mr. Beale expressed appreciation of the problems confronting crosstie producers in getting ties to meet today's exacting requirements from timber that varies in uniformity. He urged purchasing agents to make greater efforts to stabilize their crosstie purchases and thereby aid producers in maintaining uniform production. He expressed the opinion that conditions abroad will lead to sharply increased traffic on the railways this summer and fall and said that "when this occurs the railways will need a lot of ties."

Walter Firmin, of the Wyoming Tie and Timber Company, Metropolis, Ill., presided over the convention as president. The report of the membership committee showed 25 tie producing companies enrolled in the association.

At the annual election the following officers were selected for the ensuing year: President, Leonard Perez, Wood Preserving Corporation; first vice-president, H. C. Wolff, Bond-Wolff Tie Company; second vice-president, Tom Robinson, Southern Wood Preserving Company; secretary-treasurer, Roy Edmonds (re-elected); members Executive committee, R. H. Hamilton, T. J. Moss Tie Company; J. H. Tabb, Tabb Tie Company; D. W. Bauer, Potosi Tie Company; T. J. Turley, Jr., Bond Brothers; and Walter Firmin.

The Committee on Specifications and Inspection presented tentative specifications for crossties at the convention a year ago, which were discussed at that time and later distributed to the members. Owing to criticisms and objections since received, the committee deleted those sections dealing with splits and shrinkage, awaiting the conclusions of studies now in progress and submitted the remainder of these specifications and also specifications for narrow gage ties for final approval. These specifications were then approved, as deleted, by the association.

Abstracts of other reports follow.

Changes in Dimensions of Crossties in Seasoning

The Committee on Changes of Dimensions of Crossties in Seasoning, of which R. M. Claytor, plant manager, Southern Wood Preserving Company, was chairman, made an extensive investigation covering ties made from short-leaf yellow pine, black gum, Tupelo gum, red oak and white oak, at various points including Chattanooga, Tenn., Savannah, Ga. and Texarkana, Tex. A large amount of information was gathered from these widely scattered points, covering these various species

of wood which were observed for periods of seasoning ranging from 120 days to 14 months, and at various seasons of the year.

Considerable variations were found to exist in the different localities. The changes in cross-sectional dimensions, as reported to the committee from these various places, ranged from no change to a shrinkage of 0.5 in., and to a swell of 0.9 in. The committee did not attempt to draw any conclusions from the figures presented, but recommended that the subject be continued and that a uniform procedure be adopted for reporting these data; also, that additional information be obtained from other localities and with respect to other species of wood.

Timber Conservation

The Timber Conservation committee, of which R. H. White, Jr., president, Southern Wood Preserving Company, was chairman, gave an extensive review of both federal and state legislation designed to conserve the timber resources of the country. The report also analyzed federal legislation now under consideration, having the same objective and pointed out the tie producers' interest in the legislation already in effect and that in prospect. Rather definite plans were suggested for interesting both large and small timber owners and particularly small wood owners and operators in the benefits to be derived from conservation.

The report also included a monograph by C. F. Evans, assistant regional forester, United States Forest Service, Southern region, commenting on the forestry program of the Railway Tie Association. Mr. Evans reviewed the accomplishments of the federal government under the existing legislation; the activities of the Civilian Conservation Corps and its contribution to American forestry, particularly in the work of fire control. He also outlined the possibilities for co-ordination between the forest service and the industries using forest products, mentioning particularly the Railway Tie Association, the Southern Pulpwood Conservation Association, and the Southern Pine Association.

The report closed with four recommendations by the committee as follows:

- (1) That the committee be allowed to continue its efforts to improve the field organization that it has set up for the purpose of teaching small operators the benefits of conservation.

- (2) That efforts be made to educate the field men in the employ of the members of the Railway Tie Association with respect to forest conservation, through group meetings with forestry representatives.

- (3) That attention be given to the advisability of developing a simple code of cutting practices for the members of the Railway Tie Association.

- (4) That study be made of organizations that have been formed by other industries with the idea that at some future date it may be to the best interest of the

Railway Tie Association to have an organization directed by a full-time forester.

Checking and Splitting of Crossties

The Committee on Checking and Splitting of Cross-ties, of which R. R. Poux, chief treating inspector, Erie, was chairman, reported on effective methods to prevent or retard checking and splitting. The committee differentiated between checks and splits by calling an opening $\frac{1}{4}$ in. or less a check, and openings wider than $\frac{1}{4}$ in. splits. It made no differentiation with respect to the length of the opening. Checks were further classified as body checks and end checks, the former being defined as appearing on one of the faces or edges of the tie, while the latter appear at the ends.

According to the committee, little can be done to control or retard body check. Winter cutting will reduce body checking, but obviously it is impracticable to confine tie production entirely to the winter months. The committee recommended that so far as practicable tie piles should be located to avoid prevailing winds and that the tie layers should be staggered to retard the vertical movement of air currents through the pile. The committee added, however, that it is preferable to have body checks develop prior to treatment than subsequent thereto, since they not only aid penetration of the preservative but they avoid exposure of the untreated wood which is certain to result from checking after treatment. The committee stated also that end checks can be controlled if satisfactory anti-splitting devices are applied in time, and recommended their application as soon as possible after the tie is manufactured and only by men experienced in making these applications.

In a further discussion of methods to minimize checking and splitting, the committee suggested the roofing of tie stacks; the use of narrow creosoted strips, instead of ties, as separators between layers; piling to avoid the prevailing wind; slanting the top layers to give better drainage; staggering the ties in the layers, to retard vertical air currents; painting the ends of the ties; piling the ties on the face, and with the heart or pith down. Recognizing the difficulties involved in applying all of these recommendations, the committee recommended adherence to as many as practicable.

Further recommendations were that ties be made from freshly felled trees; that the pith be boxed; that ties should never be piled closer than 6 to 10 in. above the ground; and that arrangements be made to move the newly made ties from the woods to suitable concentration points as quickly as economically possible.

The committee recommended strongly the painting of tie ends, if done in accordance with Forest Products Laboratory Technical Paper No. 186 with respect to coatings and methods of applying them. It recommended the use of air hammers in the application of anti-splitting irons and the use of rib sections on anti-splitting devices. It recommended against the use of calcium chloride to prevent too rapid elimination of water in seasoning, and against the drilling of holes in tie ends.

Manufacturing Practice

The Committee on Manufacturing Practice, of which T. J. Turley, Jr., vice-president, Bond Brothers, was chairman, reported on the extent to which rigid adherence to length specifications increases the cost of tie manufacture. Preliminary to the committee investigation, ties were inspected as received (a) from producers who were not instructed definitely as to rigid length specifications; and (b) from producers who were

instructed definitely as to rigid length specifications. In the first case, the ties were received from producers who manufacture ties without an order and sell them where they can do so to best advantage. In this group, only 37.8 per cent fell within the specification requirement of a minimum length of 8 ft. 6 in. and a maximum of 8 ft. 7 in., 33.1 per cent were shorter than the specified length and had to be sold as sub-standard ties; and the remaining 29.1 per cent were more than 8 ft. 7 in. long and had to be sawed back to correct length.

In the second case, (b), ties received from seasoned producers, that is, those that were experienced in filling orders to rigid length specifications, the results were more favorable. Even here, however, there were 5.2 per cent sub-standard ties and 16.6 per cent that required cutting off. This left 78.2 per cent that met specifications with respect to length.

In the first case, taking actual costs of the manufacturing operations, it was estimated that the increased cost to the producer in cutting off the ties represented a loss of 2 cents per tie for all ties in the lot. It was also estimated that if the length specification allowed a tolerance of 1 in. more and 1 in. less than the specified length the increased price the producer would have received from his ties would have represented an increased revenue of 16 cents per tie for all ties in the lots inspected. Likewise, the loss and saving in group (b) was estimated to be 1 cent and $2\frac{1}{2}$ cents per tie respectively.

The report listed the principal reasons why tie logs are not cut in the woods of the correct length to keep them within the tolerance permitted by the specifications for tie lengths. These were:

1. Extremely rough land from which many ties are manufactured, causing log cutters to stand in an awkward position to saw off the tie logs.
2. Inexperienced cutters caused by rapid interchange of help as small mills are moved from one tract of timber to another. Most operators hire at least part of the cutters from the farm-labor group in the vicinity of the timber job.
3. When hewed ties are manufactured by farmers, it is impracticable to supervise in any way the cutting of the timber; thus irregular lengths are found quite frequently in hewed ties.
4. Inefficient saw filers. Unless a saw is sharpened correctly, it will not run true through a log. This refers more particularly to cutting logs where more than one tie is made from the log.

Conclusion

As a result of its study, the committee reached the following conclusions: If ties are to be manufactured to rigid length specifications, that is, with no tolerance below the specified lengths and 1 in. above, it will be necessary to cut all tie logs several inches too long and equalize the lengths of the ties at the mill or on yards with cross-cut saws, thus adding 2 to 3 cents per tie to the cost of manufacture, at the same time creating a loss of timber estimated at 3 per cent of the tie stumpage. Also, the enforcement of rigid length specifications will cause the small saw-mill operator to seek other markets for his timber or to seek other purchasers with less rigid tie-length specifications.

CITY OPERATION of that section of the New York, Westchester & Boston within New York City proper planned for next fall will bring extensive changes. The electrical system will be changed from 11,000 volts A.C. on overhead wire to 600 volts D.C. from third rail, to conform with the rapid transit system of the metropolis. Revamped multiple-unit cars from abandoned elevated lines will comprise the rolling-stock.

Claim Agents Meet at Providence

MORE than 150 representatives of the railroads attended the fifty-first annual convention of the Association of Railway Claim Agents at Providence, R. I., on May 15-17, to discuss problems confronted in the handling of personal injury claims and to bring about a further curtailment of the drain on revenue due to these claims. In furtherance of this purpose, papers on 10 topics were presented and discussed. In addition, a "quiz" hour was included in the program which inspired an informal and free consideration of matters of law and claim settlement. President George B. Patton, claim agent of the Chicago, Indianapolis & Louisville, presided.

Officers elected for the ensuing year are: President, P. J. Cronin, chief claim agent of the Pennsylvania; vice-presidents, E. W. Sprague, general claim agent of the Illinois Central; H. L. Hanson, chief claim agent of the New York Central, and L. D. Clark, claim agent of the Union Pacific; and secretary-treasurer (re-elected) F. L. Johnson, claim agent of the Alton. Denver, Colo., was selected as the convention city for 1941.

Grade Crossing Accidents Decrease

Railroad grade crossing accidents which result in heavy drains on railroad revenue, decreased to 3,476 in 1939, as compared with 3,493 in 1938 and 4,489 in 1937, according to the Grade Crossing Committee, of which J. C. Mann, district claim agent of the Erie, is chairman. Fatalities resulting from these accidents totaled 1,398, a decrease of 119 compared with 1938, and 1,170 compared with the peak year, 1928. Persons injured in grade crossing accidents in 1939 totaled 3,999, a decrease of 19 compared with 1938 and of 1,137 compared with 1937.

Approximately 33 per cent of all railroad grade-crossing accidents in the United States occurred in Ohio, Illinois, Indiana and Michigan, the number being 346, 333, 247 and 243 accidents respectively. At the bottom of the list, Rhode Island tied with the District of Columbia, with one accident and one injury.

Chasing the Ambulance Chaser

Collective "war to the hilt" on ambulance chasers was the recommendation of H. H. Byrer, general attorney of the Baltimore & Ohio, in a paper Chasing the Ambulance Chaser. "Today," he said, "the ambulance chaser is an entrenched institution, with an organization for wholesale hold-up, that is little short of 'rackets' in widely condemned fields of criminal activity. He is operating in interstate commerce as surely as are the railroads, but without regulation or restraint as to such interstate transactions. He rides the waves of professional condemnation with perfect ease, because there is no Federal statute to reach him, and his activities remove him largely from the fear of local statutes and committees on professional ethics. "The railroads of America," he continued, "should proceed with a united front to bring about the disbarment of these men who bring discredit and disgrace upon an honored profession." Mr. Byrer also discussed the injunctive process in courts of equity and other weapons that can be used to restrain the ambulance chaser.

That locomotive speed tape records are of value in claims and suits resulting from train accidents was shown by William B. Wait, president of the Valve Pilot Corporation. "The great advantage of the tape record,"

he said, "is that it eliminates guesswork for it deals with the actual and not the theoretical, and it is unbiased and not colored by prejudice."

Locomotive Tape Establishes Facts

To demonstrate the use of the tape, he cited Stokes vs. the Southern Pacific, a grade crossing case wherein nearly \$50,000 damages were sought, and in which the record refuted the testimony on which the plaintiff's case depended and brought a verdict for the defendant. "The plaintiffs," he said, "contended (1) that the train was being operated at a very high rate of speed. The tape record showed that the speed was 60.5 m. p. h. and corroborated the engineman who testified that he approached the crossing at 60 m. p. h. (2) That no effort was made to stop the train until after the collision had occurred. The tape record showed a brake application and that the speed started to diminish an appreciable distance before the crossing was reached. (3) That, since the accident, realizing the danger of the crossing, trains have been slowed up at that point. Tape records over that section of track covering a period of about a month after the accident showed that, in accordance with a new speed regulation which raised the permissible speed limit at that point, the speed over the crossing after the accident was greater—not less—than it had been at that time."

In a dissertation on the Perils of Routine, L. R. Willis, assistant general claim agent of the Chesapeake & Ohio, summarized his remarks by saying: "For the majority of men, routine provides the foundation upon which the structure will be erected. It should not be the roof. It is a faithful guide, and a necessary restraint. The enthusiasm for novelty, the goad of ambition, the necessity of making good, the burning energy to attack anything, and the stamina that does not permit fatigue, will be modified or changed by the passage of time. Newness will wear off, ambition may be thwarted, resilience dulled, work will be just work, and the ordinary and customary things may become drudgery. Then the man who always refused to recognize the necessity of routine may find himself floundering and without capability to organize his work so that the best may be accomplished with the least effort. The man who allowed it to master him may find himself thoughtless and unthinking like one who arises because he has slept enough, who eats because his hunger dictates it, and who works because economic necessity drives him to it. The man who has recognized the value of method, and plan, and orderly procedure should find that he has a reserve on which to draw when the race is becoming too swift, and his balanced routine is a reliable servant."

Additional Subjects Presented

Other subjects presented were: Some Recent Problems in Railroad Tort Law, by E. R. Brumley, general attorney of the New York, New Haven & Hartford; 1939 Amendments to the Federal Employer's Liability Act—Their Significance and Effect, by E. J. Moore, attorney for the N. Y. N. H. & H.; Proximate Cause by J. W. Patton, district claims agent of the Louisville & Nashville; Some Special Phases of Investigation by H. J. Skeeters, special claim agent of the Pennsylvania; When You Are on Your Own, by F. W. Bower, general claims agent of the Southern Pacific; and Injuries to Employees of Delivering Roads and of Consignors and Consignees Due to Concealed Defects in Equipment, by E. S. Stelle, claim agent of the Washington Terminal Company.

Rail Production Up Sharply in 1939

ACCORDING to statistics compiled and just released by the American Iron and Steel Institute, rail production in the United States in 1939 increased to 1,312,647 tons, nearly double the 697,642 tons produced in the preceding year, and was higher than in any year since 1930, with the exceptions of 1936 and 1937, when production amounted to 1,366,228 tons and 1,619,228 tons respectively. The 1939 production was 861,773 tons more, or nearly three times as large as the rail production in 1932, the low point in production during the depression. All figures given are net tons.

In the 1939 rollings, as might be expected in view of such a large increase in total tonnage, the tonnages

sections in 1936 and 1937, which was 25,402 tons and 34,987 tons, respectively. In the weight group including sections from 120 lb. to 136 lb., the 1939 production was 480,675 tons, compared with 188,034 tons in 1938, an increase of approximately 155 per cent, and in the case of those sections weighing from 100 lb. to less than 120 lb., production reached 620,992 tons in 1939, as compared with 371,534 tons in 1938, an increase of about 67 per cent. With the exception of the production in 1936 and 1937, the 1939 production of rails in this latter group was the largest of any year since 1930.

In the lighter sections, including 85-lb. rails and those weighing less than 100 lb., the increase in production over 1938 was relatively small, the production in 1939 being 63,598 tons, as compared with 57,550 tons in 1938, an increase of only about 15 per cent, and in the case of sections weighing 60 lb. and less than 85 lb., production

Production of Rails by Weight Per Yard

Years	Under 50 pounds	50 and less than 85 pounds	85 and less than 100 pounds	100 and less than 120 pounds	120 and less than 136 pounds	136 pounds and over	Total
1920.....	547,728	485,333	1,066,937	.....	816,612	.....	2,916,610
1925.....	183,240	246,006	857,215	.....	1,833,027	.....	3,119,488
1926.....	220,931	287,041	893,382	.....	2,202,413	.....	3,603,767
1927.....	181,256	194,048	604,178	1,472,155	691,627	.....	3,143,264
1928.....	150,301	140,813	521,240	1,348,199	804,639	.....	2,965,192
1929.....	158,326	115,297	458,783	1,381,631	934,758	.....	3,048,795
1930.....	107,101	91,055	300,024	935,756	664,085	.....	2,098,021
1931.....	56,100	28,587	138,206	555,242	518,546	.....	1,296,681
1932.....	18,654	15,350	32,024	240,902	143,944	.....	450,874
1933.....	*55,010	†17,263	45,890	172,488	175,601	.....	466,252
1934.....	*78,495	†19,164	82,476	550,639	365,055	35,622	1,131,451
1935.....	*63,982	†16,529	95,902	381,696	172,891	65,921	796,921
1936.....	*107,644	†23,629	111,956	684,910	412,687	25,402	1,366,228
1937.....	*113,889	†92,219	126,155	815,280	436,698	34,987	1,619,228
1938.....	*50,375	†27,627	57,550	371,534	188,034	2,522	697,642
1939.....	*92,994	†20,013	63,598	620,992	480,675	34,375	1,312,647

* 60 pounds or less per yard.

† Over 60 and less than 85 pounds per yard.

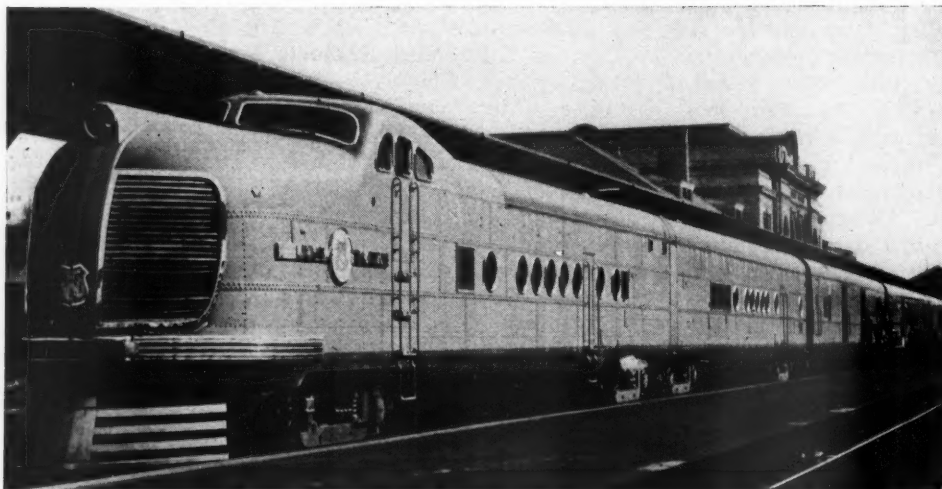
produced in all weight classifications, except one, exceeded those in 1938, and, indicative of a continuation of the trend toward the use of the heaviest sections of rails is the fact that the combined tonnages of all rails heavier than 120 lb., produced in 1939, was greater than in any year since 1931, and represented a larger percentage of the total production of all rails, with the single exception of 1933, when the percentage relationship between the tonnage of these heavier sections and that of all rails rolled, was approximately the same as in 1939.

In the case of the heaviest sections rolled, including those of 136 lb. and over, production increased from 2,522 tons in 1938 to 34,375 tons in 1939, and was again more nearly in line with the production of these heaviest

in 1939 actually decreased below the low figure of 27,627 tons in 1938, amounting to only 20,013 tons.

As for many years in the past, the bulk of the rails produced in 1939 were from open-hearth steel, the tonnage from this class of steel amounting to 1,281,380 tons, or 97.61 per cent of the total production. The amount of rails produced from Bessemer and electric steels continued an insignificant part of the total, amounting to only 209 tons, and all of the rails produced from these steels were in weights of 60 lb. or less. In addition to the rails rolled from new steel in 1939, the total production in that year included 24,666 tons of rails rolled from old rails; 35,618 tons of girder and high tee rails; and 316 tons of alloy steel rails.

* * * *



The Union Pacific's M.10003 on
"City of Denver" at Denver

(Photo, R. Kindig)

Worked with Truckers to Recover Coal Business

SUBSTANTIAL reductions in mine-prices, railroad freight rates and dealer's margins, plus friendly negotiations with independent truckers, have recovered for the railroads and established dealers approximately 100,000 tons of coal formerly trucked from so-called "wagon-mines" to the Birmingham (Ala.) district, according to informed estimates. Since, previous to the past winter season, trucks and truck-mines enjoyed about 400,000 tons out of total annual commercial requirements in the district of 500,000 tons, such co-operative efforts have brought back to the rails about 25 per cent of the total truck volume and 20 per cent of the entire coal tonnage of all carriers.

The first step in the campaign was taken in April, 1939, when the Birmingham retail price of railroad-hauled coal was reduced by \$1.50 per ton, so that it equalled the delivered price of trucked coal in the district for the preceding season. This price cut was made possible by three parties in interest; the railroads cut their rate 34 cents per ton; the rail-delivery mines slashed their mine prices and the wholesale and retail dealers reduced their margins.

But this reduction gave railroad dealers only equality of price with the truckers and there still remained the difficult problem of winning customers away from the independent truckers who maintained strong personal contacts with their patrons. The De Bardeleben Coal Corporation, operating a number of large yards in the district which initiated the price reduction move, decided to solve the problem not by fighting the independent truckers for their customers, but by making them customers themselves. Briefly, the company decided to experiment with a plan to persuade the independent truckmen to abandon road-haul operations and buy coal wholesale at the local De Bardeleben yards; and worked out a wholesale price sufficiently under the retail figure to allow a satisfactory profit to the truckers.

To bring them "into the fold," De Bardeleben assigned timekeepers from its mine offices, who talked the language of the independent truckers (many of whom are former coal miners), to cover the highways, hail the truckmen and, "sitting on a log beside the road," demonstrate the advantages of the proposition. In addition, it secured a complete list of coal truckers from the county file of fuel haulers' registrations and sent out solicitors to visit them at their homes at night. Talking-

points of the contact men were: (1) that by buying from railroad-served yards, truckers can make far shorter hauls to delivery points in the district than from out-lying truck mines and, therefore, can make many more deliveries per day without increasing equipment or wear-and-tear and (2) that De Bardeleben's "Empire" and "Corona" fuel is far superior to "wagon-mine" coal with respect to quality, grading and preparation and better known to the trade.

To facilitate low-cost loading and aid the independent truckmen in making quick turn-arounds, De Bardeleben installed mechanical loaders; improved yard layouts and built a new spur from the Southern into its Woodlawn yard to save foreign-road switching. In addition, to make it convenient for its new trucker-customers to serve a larger area, it has secured a new location near Bessemer to be served jointly by the St. Louis-San Francisco and the Southern. The property acquired is owned by the Frisco and the Louisville & Nashville; the latter road, to cooperate with De Bardeleben's campaign to push rail-borne coal, agreed to a quite nominal rental, although it will not receive the haul on any of the coal traffic concerned.

It was anticipated in the summer of 1939 that the independents would take a suspicious attitude toward the overtures of a "rail producer" and that two or three years of slow persuasion would be necessary. Actually the firm's Birmingham yards could have doubled their sales last winter if they had stored sufficient tonnage during the summer. The truckers' response to the short-haul idea and the low wholesale prices was "amazing," as one De Bardeleben officer put it, and after the first ones had been brought into the yard, the program was thereafter extended by word-of-mouth advertisement.

By reason of its price change and independent-trucker program, De Bardeleben realized sales of 35,683 tons through its retail yards at Birmingham in the 1939-40 coal-burning season (September to March, inclusive) as compared with but 5,375 tons during the corresponding season of 1938-39, or an increase of 566 per cent. De Bardeleben's gains, together with those of other Birmingham dealers and the increase in carload sales to small plants, laundries, manufacturers, etc., due to the price reduction, are estimated at 100,000 tons for the 1939-40 season, which is a big chunk out of the 400,000 tons trucked hitherto and a notable success for a campaign but one year old.

Railway Age is indebted to A. W. Vogtle, manager, traffic and sales, De Bardeleben Coal Corporation, for his aid in supplying this information.



Mechanical Loaders Aid Independent Truckers in Making Quick Turn-Arounds, Thereby Winning Them Away From Mine-Haul Operation

NEWS

President Vetoes R. & H. Pork Bill

Declares \$110,000,000 bill
should give way to
military needs

President Roosevelt has vetoed the \$109,985,450-version of H. R. 6264, the rivers and harbors authorizations bill which passed the House last year as an \$83,000,000 measure and the Senate on April 25 as a \$150,000,000 measure. The \$109,985,450 figure was embodied in the conference report adopted in both the House and Senate on May 6, as noted in the *Railway Age* of May 11, page 827.

The President's action was a logical follow-through from his previously-expressed attitude in opposition to setting up any new rivers and harbors authorization at this time. In his veto message he referred to the backlog of existing authorizations, and also to his feeling that "the non-military activities of the War Department should give way at this time to the need for military preparedness." He added, however, that "with respect to the few items in the bill that are of national defense value, I would be glad to approve separate legislation covering these projects."

Without repeating the latter, which was its closing paragraph, the veto message reads as follows:

"I return herewith, without my approval, H. R. 6264, 'Authorizing the construction, repair, and preservation of certain public works, on rivers and harbors, and for other purposes.'

"The bill adopts and authorizes the prosecution of 151 projects for the improvement of rivers, harbors, and other waterways. It also directs the Secretary of War to make surveys of 149 additional projects. There is authorized to be appropriated for these purposes \$109,985,450.

"Of the existing authorizations for river and harbor projects totaling \$207,720,140, there are so-called inactive projects in the amount of \$49,746,390. There is also carried in the pending War Department civil functions appropriation bill an amount of \$25,000,000 for construction work on account of existing project authorizations. This leaves a balance of outstanding, authorizations for active projects in the amount of \$132,973,750.

"It seems to me that this balance supplies a sufficient backlog of authorizations for appropriation purposes, without the necessity or desirability of adding thereto

First Quarter's Net Deficit Was \$12,603,606

Class I railroads in the first three months of this year had a net deficit of \$12,603,606 as compared with a red figure of \$42,819,896 for the first quarter of 1939, the Association of American Railroads announced on May 24. March's net deficit was \$4,954,703, comparing with one of \$10,240,752 for March, 1939.

the large additional amount proposed by the present bill. Moreover, to increase unduly the authorizations for river and harbor projects is likely to produce the undesirable result of throwing out of balance the distribution, as between the different classes of all Federal construction projects, of the amount that, within annual fiscal limitations, may be appropriately devoted to such purpose.

"Regardless of every other consideration, it seems to me that the non-military activities of the War Department should give way at this time to the need for military preparedness. This is a need, not so apparent at the time the bill was under consideration by the Congress, that must now be recognized by all as a matter demanding priority of attention."

Rolling of First Steel Rail to Be Commemorated

The seventy-fifth anniversary of the rolling of the first steel rail in the United States will be celebrated by the Traffic Club of Chicago at a luncheon on June 10. Speakers include Ralph Budd, president of the Chicago, Burlington & Quincy, and Clarence Randall, vice-president of the Inland Steel Company. The first American steel rail was rolled on May 24, 1865, at Captain E. B. Ward's Chicago Rolling Mill on the north branch of the Chicago river.

Bill Passed to Make Train Wrecking Federal Crime

The Senate, on May 28, passed the House-approved bill (H. R. 8086) "to make it a crime to wreck or attempt to wreck a train engaged in interstate commerce." Discussion of the measure in the House, where it passed on May 20, brought out the fact that it applied only "to the willful wrecking of a train," and would not apply to a railroad man found guilty of negligence.

Forwarder Rates Declared Illegal

High court backs I. C. C. in
refusal to allow proportional
truck rates

Reversing a statutory three-judge court in Illinois, the United States Supreme Court on May 20 sustained the Interstate Commerce Commission's I. & S. No. M-247 decision wherein the regulatory body struck down tariffs whereby certain motor carriers had undertaken to publish as "proportional" rates those arrangements with forwarders that were formerly set forth in forwarder tariffs ordered stricken from the commission's files. The proceeding before the Supreme Court was docketed as *The United States of America and Interstate Commerce Commission vs. Chicago Heights Trucking Company et al*; and the unanimous opinion by Justice Black held that the judgment of the three-judge court should not have been substituted for the discretion exercised by the commission.

Proportional rates in railroad parlance are rates to or from a gateway or port on through traffic, i. e., they are not applicable on shipments originating at such port or gateway or destined for local delivery there, but cover situations where no joint rate and route arrangements have been established—with each carrier situated to participate in the through movement publishing what it will take for its proportion of the haul. In the case decided by the Supreme Court, the truckers undertook to embrace within the term "proportionals" the aforementioned set-up which the commission said was calculated to return to the motor carriers approximately the same revenue as they had been receiving as their divisions of joint rates under the condemned forwarder tariffs. The proposed motor rates would have been applicable between Chicago and certain points in Wisconsin, Illinois and Indiana, and between certain Indiana points. Briefly, the tariffs applied on "all freight" which has been transported to an origin station as part of a truckload or carload consignment moving under tariffs filed with the I. C. C. and immediately reshipped in the original packages as a less than truckload shipment; or on "all freight" which is to be transported to a destination station as a less than truckload consignment, and immediately reshipped in the original package as part of a truckload or carload consignment.

(Continued on page 989)

Big Court Okays Rail Tax Basis

Upholds state "pigeon-holing"
r. r. property for taxes in
N. C. & S. L. case

The United States Supreme Court, at its May 20 session affirmed a decision of the Supreme Court of Tennessee which sustained the validity of an assessment of the Nashville, Chattanooga & St. Louis' property for taxation by apportioning the distributable property on the basis of the percentage of mileage of the road's property in Tennessee as compared with its total mileage. The railroad had attacked the validity of the assessment as being an intentional and systematic under-valuation of the property of other taxpayers, taking the position that other property was valued at much less than its full value, while railroad and other utility property was assessed its full value. On this basis, the railroad claimed that it was being denied equal protection of the laws under provisions of the Fourteenth Amendment.

After pointing out that since so far as the federal constitution is concerned, a state can put railroad property into one pigeonhole and other property into another, Justice Frankfurter went on to say that the only question for the Court to consider was whether the state had done so.

"If the discrimination of which the railway complains had been formally written into the statutes of Tennessee, challenge to its constitutionality would be frivolous," he wrote. "If the state supreme court had construed the requirement of uniformity in the Tennessee Constitution so as to permit recognition of these diversities, no appeal could successfully be made to the Fourteenth Amendment. Here, according to petitioner's own claim, all the organs of the state are conforming to a practice, systematic, unbroken for more than 40 years, and now questioned for the first time. It would be a narrow conception of jurisprudence to confine the notion of 'laws' to what is found written on the statute books, and to disregard the gloss which life has written upon it. Settled state practice cannot supplant constitutional guarantees, but it can establish what is state law. The Equal Protection Clause did not write an empty formalism into the Constitution. Deeply embedded traditional ways of carrying out state policy, such as those of which petitioner complains, are often tougher and truer law than the dead words of the written text.

"And if the state supreme court chooses to cover up under a formal veneer of uniformity the established system of differentiation between two classes of property, an exposure of the fiction is not enough to establish its unconstitutionality. Fictions have played an important and sometimes fruitful part in the development of law; and the Equal Protection Clause is not a command of candor. So we are of opinion that such a discrimination, not invidious but long-sanctioned and indeed conventional, would not be offensive to the Fourteenth Amendment simply because Tennessee

Trainload Rate on Coal

The St. Louis-San Francisco has filed with the Interstate Commerce Commission its proposed rate of \$2 per ton on trainload shipments of coal from mines in the Oklahoma-Arkansas area to St. Louis, Mo., and intermediate points. The rate, which is published to become effective June 24, would apply on trainload quantities of 2,000 tons or more concentrated at Ft. Smith, Ark., in cars containing not less than 50 tons and shipped by one shipper to one consignee.

see had reached it by a circuitous road. It is not the Fourteenth Amendment's function to uproot systems of taxation inseparable from the state's tradition of fiscal administration and ingrained in the habits of its people."

U. S. Supreme Court Orders

The United States Supreme Court on May 20, by refusing to grant certiorari in the case of Eavey Company v. Department of Treasury of State of Indiana, reaffirmed its action of March 11 in which it refused to review a decision of the Supreme Court of Indiana which had upheld the constitutionality of the Indiana Motor Vehicle Weight Tax Law. The March 11 decision of the court was noted in the *Railway Age* of March 16, page 525.

At the same session in the case of Sun-

4 Months N. O. I. Was \$148,929,974

2.29 per cent return compares
with \$101,283,692 or 1.56
per cent last year

Class I railroads of the United States in the first four months of 1940 had a net railway operating income of \$148,929,974 which was at the annual rate of return of 2.29 per cent on their property investment, according to the Bureau of Railway Economics of the Association of American Railroads. In the first four months of 1939, their net was \$101,283,692 or 1.56 per cent, and in the first four months of 1930 it was \$233,942,444 or 3.51 per cent.

The April net railway operating income was \$33,822,211 or two per cent on investment compared with \$15,323,766 or 0.9 per cent in April, 1939, and \$60,882,332 or 3.61 per cent in April, 1930.

Gross operating revenues for the first four months of 1940 totaled \$1,307,421,578 compared with \$1,179,891,873 for the same period in 1939, and \$1,761,623,106 for the same period in 1930, an increase of 10.8 per cent in 1940 above 1939, but 25.8 per cent below 1930. Operating expenses amounted to \$992,271,731 compared with \$921,547,460 in 1939, and \$1,370,341,285 in 1930—7.7 per cent above the former but 27.6 per cent below 1930. Class I roads in the four months paid \$122,849,238 in taxes compared with \$113,851,765 in the same period in 1939, and \$116,253,004 in 1930. For

CLASS I RAILROADS—UNITED STATES

Month of April

	1940	1939	1930
Total operating revenues	\$321,439,310	\$282,117,754	\$445,523,063
Total operating expenses	245,817,795	227,622,288	344,194,247
Taxes	30,910,978	27,762,634	29,495,407
Net railway operating income	33,822,211	15,323,766	60,882,332
Operating ratio—per cent	76.47	80.68	77.26
Rate of return on property investment—per cent....	2.00	0.90	3.61

Four Months Ended April 30

Total operating revenues	\$1,307,421,578	\$1,179,891,873	\$1,761,623,106
Total operating expenses	992,271,731	921,547,460	1,370,341,285
Taxes	122,849,238	113,851,765	116,253,004
Net railway operating income	148,929,974	101,283,692	233,942,444
Operating ratio—per cent	75.90	78.10	77.79
Rate of return on property investment—per cent....	2.29	1.56	3.51

shine Anthracite Coal Company v. Adkins, the court held that the taxing and price-fixing provisions of the Bituminous Coal Act of 1937 are constitutional.

Procurement of Transportation for the Federal Government

Senator Johnson, Democrat of Colorado, has introduced S.3974 which stipulates that the law requiring competitive bids on government purchases shall not be construed as requiring advertising for bids in connection with the procurement of transportation when the services required can be procured from any common carrier lawfully operating in the territory where such services are to be performed. As noted in the *Railway Age* of May 4, page 781, the provisions of this Johnson bill were embodied in S.2009, the omnibus transportation bill which the House sent back to conference and seemingly to its death on May 9.

April alone, the tax bill amounted to \$30,910,978, an increase of \$3,148,344 or 11.3 per cent above April, 1939.

Twenty-six Class I roads failed to earn expenses and taxes in the first four months, of which seven were in the Eastern district, five in the Southern district and 14 in the Western district.

Gross for April amounted to \$321,439,310 compared with \$282,117,754 in April, 1939, and \$445,523,063 in April, 1930; operating expenses totaled \$245,817,795 compared with \$227,622,288 in the same month in 1939, and \$344,194,247 in April, 1930.

Class I roads in the Eastern district for the four months had a net railway operating income of \$95,787,093, or 2.74 per cent; for the same period in 1939, their net was \$66,425,647 or 1.9 per cent while in 1930, it was \$134,459,050 or 4.18 per cent. Gross in the Eastern district for the four months totaled \$665,696,538 an increase of 14.2 per

cent compared with 1939, but a decrease of 25 per cent compared with 1930. Operating expenses totaled \$486,373,041 an increase of 10.4 per cent above the same period in 1939, but a decrease of 28.5 per cent under the first four months of 1930. The April net in the Eastern district was \$21,251,953 compared with \$7,930,778 in April, 1939, and \$37,110,656 in April, 1930.

In the Southern district the net for the four months was \$24,950,688, or 2.23 per cent. For the same period in 1939 it amounted to \$23,000,911 or 2.06 per cent, and for the same period in 1930 it was \$32,884,884 or 2.83 per cent. Gross in the Southern district for the four months amounted to \$182,095,519 an increase of eight per cent compared with the same period in 1939, but a decrease of 23.1 per cent under the same period in 1930. Operating expenses totaled \$136,582,049 an increase of 8.8 per cent above the same period in 1939, but a decrease of 26 per cent under 1930. Class I roads in the Southern district for April had a net of \$5,427,372 compared with \$4,821,197 in April, 1939, and \$7,970,597 in April, 1930.

Class I roads in the Western district for the four months had a net of \$28,192,193 or 1.49 per cent. For the same period in 1939, their net amounted to \$11,857,134 or 0.63 per cent, and for the same period in 1930, it was \$66,598,510 or 2.92 per cent on investment. Gross in the Western district for the four months amounted to \$459,629,521 an increase of 7.3 per cent above the same period in 1939, but a decrease of 27.8 per cent below the same period in 1930; operating expenses totaled \$369,316,641 an increase of 3.9 per cent compared with the same period in 1939, but a decrease of 27 per cent under the same period in 1930. For April alone, the Class I roads of the Western district had a net of \$7,142,886 compared with \$2,571,791 in April, 1939, and \$15,801,079 in April, 1930.

Southern Car Service Men to Meet July 25

The Southern Association of Car Service Officers will hold its semi-annual meeting at the Patten hotel, Chattanooga, Tenn., on July 25.

Fire Protection Section to Meet October 15-16

The Fire Protection & Insurance section, Association of American Railroads, will hold its annual meeting at Chicago, on October 15 and 16.

C. & O. Issue Chessie's Travelog

Chessie the kitten now has a guide book. The Chesapeake & Ohio has recently prepared a 55-page, illustrated booklet entitled, "Chessie's Travelog" which contains interesting historical and descriptive information about important points served by the road's passenger trains. For ease in reference, it is divided into six geographical chapters, which when read in the applicable combination, will give a complete description of any possible route. The book makes a special point of mile-post markings of each point described and suggests to users that observation of mile-posts along the line will add to the en-

Senate Passes Bridge Bill

The Senate on May 28 passed and sent to the President the House-approved bridge bill (H. R. 9381) sponsored by Representative Hobbs, Democrat of Alabama, to provide relief for railroads with respect to the cost of rebuilding bridges required to be altered in connection with waterway projects. The Truman-Hobbs bill with similar provisions was vetoed by the President last year; but the recent discussion in the House brought forth authoritative expressions to the effect that changes embodied in the present version would make it acceptable to Mr. Roosevelt.

joyment of any trip, noting that signal and bridge numbers also come in handy. A large, colored, four-page map accompanies the textual matter.

Estimated Weights and Package Rates on Citrus Fruits

The Interstate Commerce Commission has reopened the case involving the proposed revision of estimated weights on citrus fruits for further hearing along with the recently-launched I. & S. Nos. 4786 and 4787 proceedings involving proposed package rates on citrus fruits. The commission's report in the estimated-weights proceeding (I. & S. No. 4511) was noted in the *Railway Age* of February 24, page 384.

Red Cap Payment Plan Effective in Large New York Terminals

The fixed payment plan for Red Cap porter service, which has been in effect for some time at points throughout the country, is being made effective at Grand Central terminal and Pennsylvania station, New York, on June 1. First tried out at the Cincinnati Union terminal, the 10-cents-per-piece porter handling charge has been rapidly extended until it is now effective at almost all stations where official porter service is available.

Reparations on Fruit and Vegetable Refrigeration Charges

Reporting upon reconsideration and re-hearing of the complaint of the Growers & Shippers League of Florida, the Interstate Commerce Commission has reaffirmed its previous findings that charges for standard refrigeration service on citrus fruits and vegetables from Florida group B origins to destinations in Central territory including the Buffalo-Pittsburgh zone were unreasonable and that the complainants were entitled to reparation. Also, with respect to the aforementioned complaint and 24 associated complaints, the commission made similar findings and prescribed reasonable charges for the future for refrigeration service on shipments of citrus fruits and vegetables from origins in Florida group B to Louisville, Ky., and Owensboro and destinations in Wisconsin group 2, on berries from Florida group B to Ohio group 3, and on fruits, vegetables,

berries and melons from Georgia, South Carolina, North Carolina and Virginia to Central territory including the Buffalo-Pittsburgh zone.

The title case is docketed as No. 24984, and unofficial estimates have placed the total of the reparations awarded at from \$100,000 to \$150,000.

Rate and Classification Data Now Due July 1

The Interstate Commerce Commission has further postponed from June 1 until July 1 the deadline for the furnishing of information called for in the orders issued on January 9 in the Nos. 28300 and 28310 general investigations of the class rate structure and the consolidated freight classification. The information called for in these orders which the railroads are seeking to have modified was outlined in the *Railway Age* of January 20, page 170.

Another Rate Complaint from Southern Coal Producers

The Property Owners' Committee and seven other organizations of bituminous coal producers in Southern West Virginia, Virginia and Eastern Kentucky have filed with the Interstate Commerce Commission a complaint against rail rates from those producing areas to destinations in Ohio, Michigan, Indiana, Illinois and the St. Louis, Mo., district. As noted in the *Railway Age* of April 6, page 639, the commission recently dismissed a previous complaint of the Property Owners' Committee in connection with rates from the Southern fields to Hampton Roads, Va.

The present complaint names the Chesapeake & Ohio, Norfolk & Western, Virginian, New York Central and six short lines; it alleges that as a result of existing rates the complainants are "hampered, handicapped and prejudiced" in marketing their coal at the Mid-West destinations in competition with coals from Pennsylvania, Ohio, Kentucky and Indiana and with other forms of fuel and energy-producing substitutes.

Cotton Belt Affiliate Breaks Even in I. C. C. Decision

The Interstate Commerce Commission, Division 4, has denied the application of the Southwestern Transportation Company, affiliate of the St. Louis Southwestern, for authority to purchase from W. A. Johnson of Fort Worth, Tex., truck-operating rights on a route between Dallas, Tex. and Fort Worth. The same decision conditionally authorized the railroad subsidiary to purchase certain rights of the Inter-City Trucking Company of Memphis, Tenn. The title case is No. MC-F-847, and the decision embraces also No. MC-F-967.

April Locomotive Shipments

April shipments of railroad locomotives totaled 54 as compared with 42 in March and 24 in April, 1939, according to reports received by the Department of Commerce's Bureau of the Census from the country's builders. Unfilled orders at the end of April totaled 192 locomotives as compared with 148 as of April 30, 1939.

The aforementioned April total of 54

locomotives shipped included six steam locomotives, 37 Diesel-electrics and one "other" for domestic service and 10 steam for export. Shipments during this year's first four months totaled 161 locomotives as compared with 87 in the first third of last year.

Data furnished by the Car Service Division, Association of American Railroads, on locomotive building in railroad shops show that 14 locomotives (eight steam and six electrics) were thus produced in April, while the total for this year's first four months was 25, including 16 steam and nine electrics. In the first four months of last year railroad shops produced 21 locomotives—four steam and 17 electrics. As of May 1 there were 33 locomotives (22 steam and 11 electrics) on order in railroad shops.

Western Railway Club Elects Officers

The Western Railway Club elected the following officers at its annual meeting and dinner at Chicago on May 20: President, O. N. Harstad, general manager of the Chicago, Milwaukee, St. Paul & Pacific; first vice-president, W. W. Kelly, general purchasing agent of the Atchison, Topeka & Santa Fe; second vice-president, C. M. House, superintendent of motive power and equipment of the Alton; treasurer, J. W. Fogg, vice-president and general manager of the MacLean-Fogg Lock Nut Company, and executive secretary, W. L. Fox, general superintendent of the Belt Railway of Chicago.

Club Meetings

The Pacific Railway Club will hold its next meeting at the Palace hotel, San Francisco, Cal., on June 13. The subject for the evening will be "The Railroad Station Agent." H. R. Williams, agent, Southern Pacific, at Oakland, Cal., will speak on the topic from the viewpoint of a large metropolitan station, while J. L. Durnford, agent for the Northwestern Pacific, at Geyserville, Cal., will represent a small, one-man, country station.

The Toronto Railway Club will hold its annual summer outing and dinner at the Royal Connaught hotel, Hamilton, Ont., on June 8. Russell T. Kelley of Hamilton will be guest speaker.

Lifts Suspension of Southern Affiliate's Rates on Naval Stores

By vacating its suspension order of March 8, the Interstate Commerce Commission has authorized the New Orleans & Northeastern (part of Southern) to make effective tariffs designed to bring its Hattiesburg-New Orleans and Laurel-New Orleans rates on naval stores in line with other adjustments between Southern Mississippi points and Gulf of Mexico ports which were approved by the commission in the general Naval Stores-to-Gulf-Ports case.

As noted in the *Railway Age* of March 16, page 524, the proceeding involving these schedules published for the account of the New Orleans & Northeastern, which proceeding the present order discontinues, was docketed as I. & S. No. 4772. The general naval stores decision

Demand for Long Flat Cars Has Brought "Tight Situation"

Calling attention to a "tight situation" which has arisen in connection with "a sharp increase in traffic demands for extra long and extra wide flat cars," W. C. Kendall, chairman of the Car Service Division, has issued a circular asking all railroads to cooperate in the enforcement of a program designed to avoid any use of such cars for traffic that can be loaded on shorter cars. The "extra long" flat cars are identified in the circular as "50-ft. and longer," while the tight situation "applies particularly to Middle Western railroads," which are having a heavy run of agricultural-implements shipments.

(No. 27571, embracing also I. & S. No. 4265) was reviewed in the *Railway Age* of February 3, page 254.

Safety Vents on Sulphuric-Acid Tank Cars

The Interstate Commerce Commission, by Commissioner Alldredge, has issued another of the Special Series A orders in the No. 3666 proceeding involving regulations for the transportation of explosives and other dangerous articles, granting an application filed by the Mechanical Division, Association of American Railroads, on behalf of the Manufacturing Chemists' Association for authority to install on 100 tank cars safety vents equipped with lead discs having $\frac{1}{8}$ in. breather holes in the center. The cars thus equipped will be allocated for test purposes to shippers of sulphuric acid.

May 24 History-Making Date on the B. & O.

May 24 was a date thrice historical for the Baltimore & Ohio. On that date, 110 years ago the road operated the first regularly scheduled railroad passenger service in the country in a run of a "brigade" of horse-drawn cars between Baltimore, Md., and Ellicotts Mills, a distance of 13 mi. On May 24, 1844, the first telegraph message "What Hath God Wrought" was flashed from the Capitol in Washington to the old B. & O. passenger station on Pratt street in Baltimore, and on the same day in 1931, the first completely air-conditioned train in the world, the Columbian, was operated by the B. & O. from Washington to New York.

Fourth-Section Relief Denied

Because "the war has had the effect of eliminating the water movement" involved, the Interstate Commerce Commission, Division 2, has denied the application of railroads for fourth-section relief in connection with rates on imported and intercoastal wood pulp from North Atlantic ports to destinations in Central territory. The decision is in Fourth Section Application No. 17971.

The report points out that the water competition "is not now actual," and thus

the commission is precluded from granting relief. Previously it had noted that the railroads "have no present intention of putting the rates sought to be authorized into effect," and are "unable to say when the rates sought would be published."

Semi-Annual Meeting A. S. M. E.

The semi-annual meeting of the American Society of Mechanical Engineers will be held at the Hotel Pfister, Milwaukee, Wis., June 17, 18 and 19. That part of the program of particular interest to those in the railroad field is as follows.

Monday, June 17

MORNING

Education and Training

Encouragement of Creative Ability, by John E. Ryan, and A. R. Stevenson, Jr., General Electric Company

The Employer Suggests Needed Improvements in Our System of Technical Education, by W. H. Carrier, chairman of the board, Carrier Corporation

Selection of Men with Creative Ability, by Alexander Magoun, Massachusetts Institute of Technology

Thursday, June 20

MORNING

Railroad Symposium

Steam Locomotives—Notes on Their Ages and Proportions, with Suggestions for Improvements, by J. L. Ryan, St. Louis-San Francisco

Notes on the Trends in Reciprocating Valve Mechanisms Employing Piston Valves, by Chas. F. Krauss, assistant chief engineer, Baldwin Locomotive Works

Notes on Valve and Valve Motion Design for Modern High-Speed Passenger Steam Locomotives, by A. G. Hopper, assistant mechanical engineer, Chicago, Milwaukee, St. Paul & Pacific

Notes on the Measurement of Cylinder Power of High-Speed Passenger Locomotives—Apparatus and Methods, by L. K. Botteron, engineer of road tests, Union Pacific

Train Acceleration and Braking, by R. Clark Jones, Research Laboratory of Physics, Harvard University (to be presented by title)

Pennsylvania State Officers Seek Lower Anthracite Rates

State and railroad officers held a conference in Philadelphia, Pa., on May 23 concerning the possibility of a reduction in anthracite freight rates out of Pennsylvania. For some time civic and business interests in the state have urged that the railroads voluntarily cut rates on hard coal to give it a better market position. The coal producers themselves seek rate reductions on domestic grades to eastern and central New York state, and on steam sizes to a number of destinations along the Atlantic seaboard. Several representatives of the state hinted that they might appeal to the Interstate Commerce Commission should the railroads refuse to make modifications voluntarily.

Eastern Lines Inaugurate Co-ordinated Taxi Service

Roads in Trunk Line and Central Passenger Association territories, in co-operation with the Cab Research Bureau, are placing a special train-taxicab service for businessmen into effect today (June 1) in 25 large cities. Coupons entitling railroad passengers to a special rate at these points will be issued by railroad ticket agents without cost and will be honored by leading cab companies which have contracted to extend the privileges under an agreement with Cab Research.

Chauffeur-driven cabs will be provided for a six-hour day at a flat rate of \$5 in Akron, Ohio; Canton, Cincinnati, Cleve-

land, Columbus, Dayton, Toledo, Youngstown, Albany, N. Y., Buffalo, Rochester, Schenectady, Syracuse, Utica, Baltimore, Md., Boston, Mass., Camden, N. J., Trenton, Erie, Pa., Philadelphia, Reading, Indianapolis, Ind., and Louisville, Ky. In Chicago and in Pittsburgh, Pa., the same charge will apply to any continuous four-hour run. The service will be available between 9 a. m. and 3 p. m. C. A. Fox, chairman, Central Passenger Association, expressed the view that successful operation of the plan at the above points would undoubtedly lead to the establishment of similar railroad-taxi rates in other large business centers.

S. A. L. Starts Daily "Meteor" Service to Florida West Coast

The Seaboard Air Line has inaugurated daily summer service on its de luxe all coach "Silver Meteor" between New York and the west coast of Florida, effective southbound May 27 and northbound, May 29. The run will be made between New York and St. Petersburg in both directions in 23 hr., 55 min. Previously the service consisted of a train every third day operated in conjunction with a daily schedule to Miami and other east coast points. The West Coast section will be hauled by a streamlined steam locomotive between Wildwood (junction with the East coast line) and St. Petersburg.

Car Service Division Plans Drive for Heavier Loading

Because it believes that the possibilities for savings to the railroads and shippers "are large and very much worth the effort," the Car Service Division of the Association of American Railroads expects shortly to inaugurate "a more intensive campaign than has been possible in recent years in the interest of heavier loading." This was revealed in a circular sent out May 23 by W. C. Kendall, chairman of the Division, to the chief operating officers of Class I railroads.

In the circular Mr. Kendall embodied a

summary tabulation showing tonnage per car for all carload commodities in 1939 and earlier years along with a similar comparison for the major commodity classifications as covered in the Interstate Commerce Commission's freight commodity statistics. He called attention to the fact that the average tons per car for all commodities in 1939 was 36.8—the best record since the figures have been compiled. It exceeds the previous record made in 1937 by one-tenth of a ton per car. "As an indication of the value of increased loading per car," Mr. Kendall went on, "it is necessary only to point out that if the traffic of 1939, which was handled in 24,119,000 carloads with average loading of 36.8 tons per car, had been loaded only to the average reached in 1932 of 34.9 tons per car, it would have been necessary in 1939 to handle 1,313,000 additional carloads to move the tonnage."

Hiawatha Service Five Years Old

The "wooden" anniversary of the Hiawatha, which the Chicago, Milwaukee, St. Paul & Pacific operates between Chicago and the Twin Cities, was celebrated on May 29. During the five years since this train was placed in service, the Hiawatha and its overflow sections have carried nearly 1,500,000 paying passengers, an average of more than 800 daily. These figures do not include passengers on the Morning Hiawathas which began service in 1939. The original Hiawatha consisted of a streamlined locomotive and six cars, which later were increased to eight. In October, 1936, these cars were replaced by nine new ones. Two years later, in September, 1938, the entire train was re-equipped. The locomotive has a capacity for 14 cars.

Freight Car Loading

Loadings of revenue freight for the week ended May 18 totaled 678,971 cars, according to the Association of American Railroads. This was a decrease of 1,686 cars or 0.2 per cent below the preceding week,

but an increase of 66,083 cars or 10.8 per cent above the corresponding week in 1939 and an increase of 133,182 cars or 24.4 per cent above the same week in 1938.

The summary as compiled by the Car Service Division, A. A. R., follows:

Revenue Freight Car Loadings			
For Week Ended Saturday, May 18			
Districts	1940	1939	1938
Eastern	145,024	133,581	120,302
Allegheny	141,509	119,724	98,935
Pocahontas	45,744	39,003	33,085
Southern	100,717	86,130	86,156
Northwestern ..	103,942	96,650	70,731
Central Western ..	97,217	94,626	91,793
Southwestern ..	44,818	43,174	44,787
Total Western Districts	245,977	234,450	207,311
Total All Roads	678,971	612,888	545,789
Commodities			
Grain and grain products	30,754	34,169	32,160
Live stock	11,861	11,811	13,366
Coal	112,632	89,717	87,200
Coke	8,457	4,462	4,112
Forest products ..	34,777	30,085	25,870
Ore	48,902	36,225	14,103
Merchandise l.c.l.	148,916	152,783	148,768
Miscellaneous ..	282,672	253,636	220,210
May 18	678,971	612,888	545,789
May 11	680,657	554,644	541,808
May 4	665,510	572,025	536,149
April 27	644,520	585,190	543,089
April 20	628,342	557,867	523,748

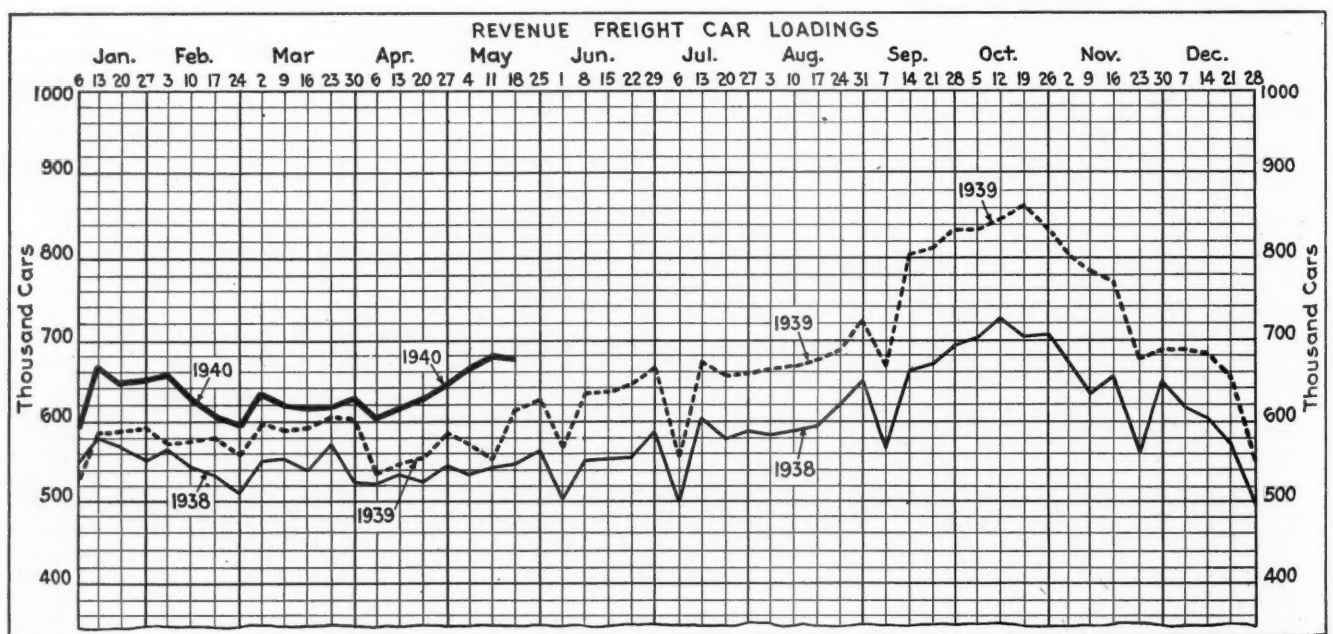
Cumulative Total, 20 Weeks ... 12,684,341 11,512,996 10,908,898

In Canada.—Carloadings for the week ended May 18 totaled 53,063, as compared with 52,766 in the previous week and 47,081 last year, according to the weekly statement of the Dominion Bureau of Statistics.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
May 18, 1940	53,063	26,128
May 11, 1940	52,766	25,657
May 4, 1940	51,257	25,573
May 20, 1939	47,081	22,648
Cumulative Totals for Canada:		
May 18, 1940	963,383	493,370
May 20, 1939	852,911	426,753
May 21, 1938	889,254	428,202

C. N. Deficit Reduced

War traffic to the Atlantic coast and the movement of the Dominion's second largest



wheat crop have produced a big increase in revenue freight to the Canadian railways, and this condition is reflected in estimated requirements for the Canadian National in the current year. Finance Minister J. L. Ralston in the annual spending program for all government purposes, tabled in the House at Ottawa last week, showed that the federal treasury this year would probably be called upon to supply only \$15,000,000 for Canadian National deficit on account of the year's operations, as against \$43,750,000 last year.

Because the federal treasury is trying to cut to the bone all non-war outlay, the estimates for the year show a drop of about \$3,700,000 in provision for removal of grade crossings, but the usual amounts are asked for the 20 per cent subsidy to freight rates in the maritime provinces aid to railways, under the Maritime Freight Rates Act. There is a slight drop in requirements for the Hudson Bay Railway, and over \$330,000 is asked for the administrative work of the Board of Transport Commissioners.

Finance Minister Ralston was asked if the economy drive on non-war expenditure would mean cessation of work on the new Montreal terminal of the Canadian National, but he referred queries to Transport Minister C. D. Howe. A good guess is that the work will not be stopped. The amount appropriated two years ago to finish this job was \$12,500,000. There was a fight on the appropriation, but the attitude of the Liberals (the party in power) is that so much has already been spent, and all there was to show for it was the viaduct from the heart of the city to the St. Lawrence River, with a gaping hole in the ground—so it was worth the additional outlay to make the project available. Admittedly the existing C. N. R. terminal facilities in the heart of Montreal are inadequate.

Lea Bill for Stop-Gap Regulation of Forwarders

Chairman Lea of the House committee on interstate commerce has introduced H. R. 9888 to apply various sections of the Motor Carrier Act to freight forwarders so as to bring forwarder rates and charges under Interstate Commerce Commission regulation and to permit the filing of forwarder tariffs with the I. C. C. Presumably this is the proposal Chairman Lea had in mind when he said at the transportation round-table of the United States Chamber of Commerce's recent annual meeting that he hoped to get some kind of "a skeleton form of forwarder regulation through at this session of Congress to act as a stop-gap until more mature legislation can be worked out."

Under the commission's outstanding order in the Acme Fast Freight status case, forwarder tariffs naming joint rates with motor carriers have been ordered stricken from the commission's files; while, as noted elsewhere in this issue, the Supreme Court has sustained the commission's I. & S. No. M-247 decision which struck down tariffs wherein certain motor carriers undertook to publish the same arrangements as proportional rates.

Meanwhile, the Senate interstate commerce committee's hearings on forwarder

regulation bills pending before the Senate have been postponed from June 3 to June 5.

Committee to Hold Hearings on Administrative Procedures

Public hearings for discussion of the procedure of the federal administrative agencies will be held June 26-28 and July 10-12, in Washington, D. C., the Attorney General's Committee on Administrative Procedure announced this week. Included in the discussion will be the monograph on "Railway Labor," publication of which was noted in the *Railway Age* of May 18, page 872.

The announcement points out that all persons and organizations are invited to express their opinions of the procedures of the administrative departments of the government. The committee, it is stated, desires comments on the accuracy of the monographs on the various agencies which have been published as well as a general discussion of administrative procedures.

Those wishing to appear at the hearings should notify the committee before June 15 of the topics they wish to discuss and the time needed for the presentation of their statements, the announcement says. The committee plans to publish a program of topics, but not appearances, about June 20. The committee has also invited the submission of written statements.

The announcement also states that among others, a monograph on the Interstate Commerce Commission will not be available for distribution in time for discussion at the June hearings, so that its consideration will be deferred until the July sessions.

April Truck Loadings at 1940 Peak

April truck loadings of reporting motor carriers totaled 1,052,225 tons, an increase of 5.8 per cent over March's 994,689 tons and a rise of 16.7 per cent over April, 1939's, 901,775 tons, according to the latest monthly compilation of American Trucking Associations, Inc. (Railroad freight loadings for the four April weeks were up approximately 12 per cent above April, 1939). The A. T. A. statement notes that the April total exceeds that of any previous month this year, and adds that it "has been exceeded only in three months since A. T. A. began its compilations in 1937." The A. T. A. index figure, based on the 1936 monthly average as 100, stood at 133.29 for April as compared with March's 126.35 and April, 1939's 114.19.

Comparable reports were received for April from 199 motor carriers in 39 states and the District of Columbia. Approximately 75 per cent of the tonnage reported was transported by carriers of general merchandise. The volume of general merchandise carried increased 11 per cent over March, and 17.1 per cent over April, 1939. Transporters of petroleum products, accounting for slightly more than 10 per cent of the total, showed an increase of 2.3 per cent in April, as compared with March, and an increase of 2.2 per cent over April of last year. Movement of new automobiles and trucks, constituting 6.1 per cent of the total tonnage, decreased 7.9 per cent under March, but increased 21.6 per cent over April, 1939. The decrease under March in this class was attributed to a

downward trend in production of new vehicles. Iron and steel products represented about 3 per cent of the total reported tonnage. The volume of these commodities increased 13.4 per cent over March, and 50.7 per cent over April, 1939. Six per cent of the total tonnage reported was miscellaneous commodities, including tobacco, textile products, bottles, building materials, coal, cement and household goods.

I. C. C. Proposes Rules for Brokers of Motor Passenger Service

The Interstate Commerce Commission has instituted an investigation into the matter of rules and regulations governing the maintenance, preservation, and reporting of records of passenger brokers subject to section 211 of the Motor Carrier Act. The proceeding, docketed as ExParte No. MC-36, has been assigned for hearing before Examiner W. W. McCaslin with sessions opening on June 6 at Oklahoma City, Okla., and continuing on June 10 at Dallas, Tex., June 17 at Los Angeles, Calif., June 25 at San Francisco, June 29 at Seattle, Wash., July 6 at Denver, Colo., July 12 at Chicago and July 16 at Brooklyn, N. Y.

Along with the order launching the investigation went a notice from I. C. C. Secretary W. P. Bartel who sent out a draft of proposed rules which has been prepared as a basis for discussion. Mr. Bartel suggested that interested parties direct their efforts "principally toward preparing evidence which will bear specifically on the reasonableness or unreasonableness of these proposed rules." Among other things the proposed rules would require that the brokers' records show the name, address and destination of each person for whom transportation is arranged; the amount paid by each customer; commissions, if any, paid by any motor carrier to the broker; the motor carrier performing the service; and the name and address of the driver. Monthly reports showing the information called for in the regulations would have to be submitted to the commission.

New Moves on S. 2009

Movements towards looking into the possibilities of reviving S. 2009, the omnibus transportation bill, were taking shape as this issue of *Railway Age* went to press. Conferee Wheeler, chairman of the Senate committee on interstate commerce, this week invited the chiefs of the railroad brotherhoods to meet him in conference with a view to seeing if some compromise might be worked out; and Conferee Lea, chairman of the House committee on interstate and foreign commerce, stated on May 28 that he expected the conferees to get together for a meeting within a few days.

As noted in recent issues of *Railway Age*, this Wheeler-Lea bill has been generally considered dead since the House on May 9 sent it back to conference after the leaders of the six transportation brotherhoods sprung their eleventh-hour surprise in lining up with waterway interests and interests claiming to speak for agriculture in support of a motion to recommit with instructions for the House conferees to

insist upon insertion of the toughened-up version of the Harrington "labor-protection" amendment and restoration of the Miller-Wadsworth and Jones amendments.

Chairman Wheeler did not indicate that he had any great hope that the bill could be revived, but presumably he proposed to meet labor on the theory that some effort should be made to salvage a bill on which so much painstaking work had been done. No definite date was set for the meeting, but it was thought that the get-together might be arranged for this week.

S. 2009, of course, remains a pending measure so long as this Congress lives; and the longer the session lasts the better chance it has of being revived. In that connection talk of adjournment by mid-June gave way this week to predictions that the session would now last somewhat longer in view of the move to enact legislation to provide for new taxes and an increase in the debt limit to take care of the national defense program.

Refrigerator Car Policy's Effective Date Postponed for Year

The Car Service Division, Association of American Railroads, on May 20, further postponed for one year—from next June 30 until June 30, 1941—the effective date of its May 5, 1939, action reserving for railroads the right to furnish railroad-owned or railroad-controlled cars for shipments of fresh meats, packing-house products, or dairy products. The new postponement was ordered so that "ample time may be provided within which all negotiations relating to this subject may be brought to a conclusion."

The latter refers to negotiations which have been under way for taking over the equipment of the private car lines affected by the new railroad policy. It was to nullify the railroads' action in that connection that the so-called refrigerator-car bills now pending in Congress were introduced. As noted in last week's issue, the Senate committee on interstate commerce has approved a modified version of S. 2753, the refrigerator-car bill sponsored by Senator Shipstead, Farmer-Laborite of Minne-

sota. The new version was reported favorably to the Senate last week, the report stating: "The bill as amended gives the shipper the right to supply, in case of inability or refusal of any railroad to do so, cars for the transportation of perishable food products which are safe, adequate and proper for that purpose and which are suitable to protect the marketability of shipments of such products. The duty is imposed upon the Interstate Commerce Commission to determine what cars are safe, adequate and proper for such transportation. The bill also prohibits any railroad from unjustly discriminating against private car companies or shippers in the transportation of such cars, whether the refrigerator cars are owned or supplied by the private car companies or shippers."

In the latter connection the report had previously referred to testimony at last year's hearings on the bill, which testimony was interpreted as having shown that "the railroads had actually in the past discriminated against shippers tendering refrigerator cars . . . by declining to take the cars of some of the shippers while accepting the cars of other shippers."

Raleigh Fetes S. A. L. Predecessor

Raleigh, capital city of North Carolina, held an all-day celebration on May 21 in honor of the opening just 100 years ago of the Raleigh & Gaston, oldest predecessor road in the Seaboard Air Line system. Featured in the day's program was one of the city's largest parades, which included a float bearing a reproduction of one of the earliest R. & G. trains. The governor, city officials and organizations, the North Carolina State College of agriculture, Railway Express Agency and the Seaboard co-operated in the putting on the show.

The Raleigh & Gaston was chartered in December, 1835, and the 40-mi. line completed in March, 1840. The cost of the work with equipment was \$1,330,000. The "Raleigh," the road's first locomotive weighed 6½ tons, and on a run in 1840 pulled a train of 31 cars from Henderson,

N. C. to Gaston, each of which represented about 5 tons loaded, making a gross weight including the engine and tender of 162½ tons.

Coal-Mining Affiliate of U. P. Subject to Coal Act

The Bituminous Coal Division of the Department of the Interior has announced that Division Director Howard A. Gray has issued an order refusing to exempt coal produced by the Union Pacific Coal Company, Omaha, Neb., and Rock Springs, Wyo., and consumed by the Union Pacific from regulation under the Coal Act. This action will subject the company's coal to the minimum "at the mine" prices and the market regulations which the Division will make effective within a few weeks.

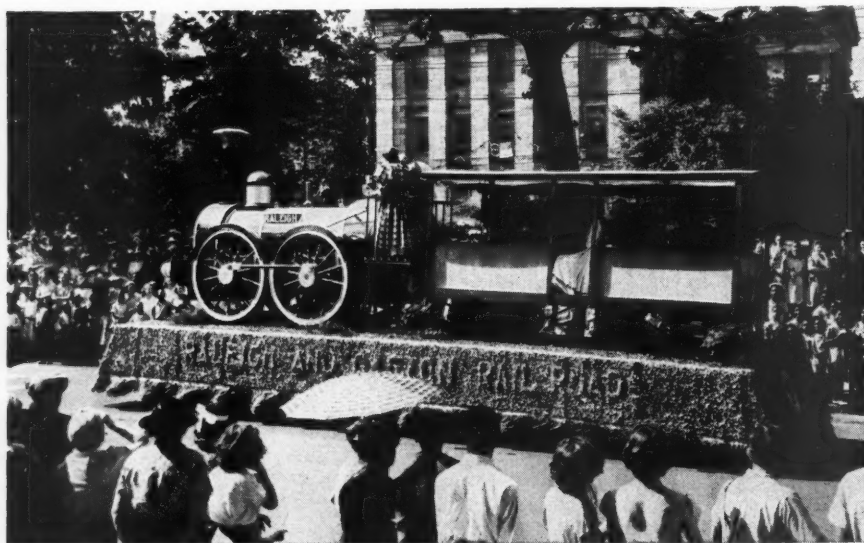
The Union Pacific Coal Company, the Department of the Interior announcement says, sells most of its output to the railroad and railroad subsidiaries, but it also sells coal in the open markets. The coal company sought exemption under sections of the law exempting "coal consumed by the producer" and providing for producers to file applications for exemption when they believe commerce in coal is not subject to regulation as interstate commerce or affecting interstate commerce.

The director pointed out that Congress, at the time it provided for exemption of coal consumed by a producer specifically refused to exempt from regulation coal produced by a wholly-owned subsidiary of a consumer or by other legal entities having identical ownership. He ruled that the coal produced by the Union Pacific Coal Company and consumed by the Union Pacific was not consumed by the producer because the two companies were separate and distinct entities. Meanwhile he refused to rule in this proceeding on the coal company's request for exemption from regulation of coal it sells to the Union Pacific Water Company, and the Southern Wyoming Utilities Company, subsidiaries of the railroad. He transferred this request to another docket for further action.

High Court Rules Against Rutland Receiver

By its action in refusing to grant a writ of certiorari the United States Supreme Court on May 20 upheld a decision of the second United States Circuit Court of appeals in New York which had denied the right of the federal district court in Vermont to direct the receiver of the Rutland to either withhold a percentage of its employees' wages or to authorize a wage cut which was pending before the National Mediation Board. The following day, the road's receiver wired the National Mediation Board that it was imperative that it resume mediation of the wage matter immediately as the income of the road is insufficient to pay operating expenses and taxes.

As pointed out in the *Railway Age* of February 17, page 341, the decision of the circuit court contains two important rulings: (1) that a court may not permit a railroad, even though it be in receivership or trusteeship, to withhold a portion of its employees' wages in order to continue operation; and (2) that all



Courtesy Seaboard Air Line

One of the Many Colorful Floats in the Raleigh & Gaston Parade. The Locomotive "Raleigh" (a reproduction) Was Borrowed From the Hall of History While the Car Was Built in the S. A. L. Shops

wage changes must be negotiated according to the provisions of the Railway Labor Act. Two distinct actions of the federal district court in Vermont provide the background for the decisions of the circuit court and the Supreme Court. One order dated July 12 and July 30, 1938, directed the receiver of the Rutland to withhold an average of 17 per cent of all employees' wages in order to conserve the company's resources, the withheld funds not to constitute a prior lien as a receiver's operating expenses. The second order, dated June 17, 1939, required the receiver to reduce wages on the same sliding scale, effective June 30, 1939. This latter order referred back to the receiver's notice of a wage reduction posted on December 9, 1938, which was taken up by the National Mediation Board in routine fashion and then "pigeon-holed" because of the employees' insistence that the previous wage deductions be given a court test.

As pointed out at the time of the circuit court's decision, the way is now cleared for the Mediation Board to resume negotiations respecting the receiver's notice of December 9, 1938, announcing his intention to reduce wages on a sliding scale average 17 per cent. L. G. Morphy, receiver of the Rutland, on May 21 sent a telegram to the National Mediation Board requesting that it resume immediately mediation respecting the notice, and informing the members that "it is imperative that you do this as we have not sufficient money to pay the employees the money now due them. Our income is insufficient to pay operating expenses and taxes."

Institutional Selling Depresses Railroad Bond Prices

Bank and insurance company liquidation is directly responsible for the present low level of the railroad bond market, according to an article by Oscar Lasdon, New York investment authority, in the May issue of The Bankers Magazine. In an article entitled "Institutional Liquidation Depresses Rail Bonds," Mr. Lasdon points out that, during the past three years, commercial banks, mutual savings banks, and insurance companies have disposed of approximately \$600,000,000 of carrier obligations. In addition, considerable liquidation has come from the portfolios of public welfare foundations, educational institutions, and individual trust accounts. It is also noted that, while net railway operating income of class I steam carriers has registered constant improvement in the last year and a half, second-grade rail bond prices have hardly reflected such gains and are at approximately the low level of September, 1938.

The author has other observations to make which give perhaps a more optimistic color to the article. He points out, for example, that although fire, marine and miscellaneous insurance companies have pursued the same general policy of liquidation, the 49 important legal reserve life insurance companies (which hold almost 92 per cent of the admitted assets of all legal reserve companies in the country) have added slightly to their railroad holdings. He noted too that debt reductions

programs seem to have a salutary effect. He writes: "And in this connection, it should be noted that defaulted bonds of carriers whose plans of reorganization are approaching consummation, have been acting relatively better than second-grade issues of solvent roads. Such performance may be attributed to the fact that the anticipated value of the new securities, to be received by each bondholder in exchange, is far above the market value of the old bond. Voluntary adjustment plans for solvent carriers will present similar situations."

Many Engage Space for Track Supply Exhibit

Plans for the annual exhibit of the Track Supply Association, to be held in Chicago on September 9-12, in conjunction with the annual convention of the Roadmasters' and Maintenance of Way Association, are actively under way, and 43 companies have already made application for 62 exhibit spaces. This number of companies, and the amount of space reserved by them, represents more than double the reservations received at this date a year ago, and almost equals the totals for the exhibit itself last year, at which 45 companies used 63 spaces. Further applications for space should be addressed to Lewis Thomas, secretary-treasurer, Track Supply Association, 59 E. Van Buren street, Chicago.

The companies that have made application for space to the present time include:

American Fork & Hoe Co., Cleveland, Ohio
Barco Manufacturing Company, Chicago
Buda Company, Harvey, Ill.
Creepcheck Co., Inc., New York
Crerar, Adams & Co., Chicago
Cullen-Friededt Company, Chicago
DeSanno & Son, Inc., A. P., Philadelphia, Pa.
Duff-Norton Manufacturing Co., Pittsburgh, Pa.
Eagle Grinding Wheel Company, Chicago
Elastic Rail Spike Corporation, New York
Electric Tamper & Equipment Co., Ludington, Mich.
Fairmont Railway Motors, Inc., Fairmont, Minn.
Gary Screw & Bolt Co., Chicago
Illinois Malleable Iron Company, Chicago
Jacobsen Manufacturing Company, Racine, Wis.
Jordan Company, O.F., East Chicago, Ind.
Kalamazoo Railway Supply Co., Kalamazoo, Mich.
Link-Belt-Speeder Corporation, Chicago
Lundie Engineering Corporation, New York
Maintenance Equipment Company, Chicago
Mall Tool Company, Chicago
Metal & Thermit Corporation, New York
Morden Frog & Crossing Works, Chicago
Nordberg Manufacturing Co., Milwaukee, Wis.
Northwestern Motor Company, Eau Claire, Wis.
Oxweld Railroad Service Company, Chicago
P. & M. Company, The, Chicago
Pettibone Mulliken Corporation, Chicago
Pocket List of Railroad Officials, New York
Positive Rail Anchor Company, Chicago
Power Ballaster Company, Chicago
O & C Company, New York
Rail Joint Company, The, New York
Rails Company, New Haven, Conn.
Railway Engineering and Maintenance, Chicago
Railway Purchases and Stores, Chicago
Ramapo Ajax Div., American Brake Shoe & Foundry Co., Chicago
Railway Track-Work Company, Philadelphia, Pa.
Templeton, Kenly & Co., Chicago
Union Switch & Signal Co., Swissvale, Pa.
Warren Tool Corporation, Warren, Ohio
Woodings-Verona Tool Works, Verona, Pa.
Woolery Machine Company, Minneapolis, Minn.

Western Roads to Seek Wage Cut Unless Vacation Demand Goes

Thirty days notice of a ten per cent reduction in all existing rates of pay of members of the 14 non-operating brotherhoods seeking vacations with pay unless the vacation demand is withdrawn was sent to their general chairmen by Western railroads on May 25. The general chairmen

of these brotherhoods filed their demands with all railroads in the United States on May 20, asking for two weeks vacation with pay effective on and after June 20, 1940, for all employees with one year service and with regular employment, and an annual vacation for all other employees of one working day with pay for each month during which they earned compensation in the preceding calendar year. During the vacation period, the request said, the basis of pay for hourly rated employees shall be eight times the hourly rate for the service last performed prior to vacation and for employees paid on piece work, daily or monthly basis, at the regular daily rate for the service last performed prior to vacation period.

Western railroads in individual replies to the chairmen said, "this in effect is a proposal for an increase in compensation which we consider is without justification and particularly inopportune at the present time. Recent developments clearly indicate the necessity of conserving the resources of all industry and transportation agencies at maximum efficiency. We therefore assume you will wish to withdraw your notice. If, however, you desire to proceed with it in conformity with the provisions of the Railway Labor Act, we hereby give 30 days' notice pursuant to Section 6 of that Act of our desire and intent to decrease all existing rates of pay of all employees represented in the amount of ten per cent.

We are agreeable to having initial conferences with your committee for the purpose of discussing concurrently your notice and the one contained herein, also all other matters which may grow out of these notices. In the event settlement is not reached in conference we are agreeable to joining with other carriers in the Western region in concerted handling of your proposal and our counter-proposal on a regional basis.

Budd Appointed to Council of National Defense

Acting to carry out the government's announced program of speeding up national defense to meet the needs of the hour, President Roosevelt, on May 28, revived the Commission of the Council of National Defense which had been authorized under a 1916 statute and appointed Ralph Budd, president of the Chicago, Burlington & Quincy, to represent transportation on that body. After pointing out that the Council will act as a coordinating agency for government orders, Mr. Roosevelt remarked that there are no kinks in the transportation picture at present because of the fact that the railroads are in a position to carry all the traffic that there is to carry.

The President also announced that Mr. Budd's job for the present will be only part time and will consist of setting up machinery to meet a potential future traffic jam, should one develop. As pointed out from time to time in speeches made by M. J. Gormley, executive assistant of the Association of American Railroads, the railroads are in a position to meet any emergency that may arise.

Serving with Mr. Budd on the commission are the following: Industrial materials, Edward R. Stettinius, Jr., chairman of the board of the United States Steel

Corporation; industrial production, W. S. Knudsen, president of the General Motors Corporation; employment, Sidney Hillman, president of the Amalgamated Clothing Workers of America; farm products, Chester C. Davis, a member of the board of governors of the Federal Reserve System; raw material prices, Leon Henderson, a member of the Securities & Exchange Commission; and adviser on consumers' protection, Harriet Elliott, dean of women at the University of North Carolina.

The group, which will meet with the President in Washington on May 30 for its initial get-together, will serve without compensation, but their expenses will be paid by the government. Mr. Stettinius' and Mr. Knudsen's jobs will be full time for the present, while the others will probably work only part time, Mr. Roosevelt said.

Describing the procedure to be followed by the commission, the President told reporters that Mr. Stettinius would be responsible for getting the raw materials together, while Mr. Knudsen would have the job of seeing that the finished products were fabricated. The various government departments which will have to purchase materials to carry out the rearmament program will consult directly with these men to find out which plants have the capacity available for the orders about to be placed. In this manner any bottle-necks in industry should be avoided and the program of rearmament speeded as much as possible.

The President also announced that William H. McReynolds, one of his administrative assistants, will act as secretary of the commission. He said that he would soon appoint two additional administrative assistants but that he could not make the announcement at this time.

Safety Section to Meet at St. Paul

The Safety Section of the Association of American Railroads will hold its twentieth annual meeting at St. Paul, Minn., on June 4-6. The program is as follows:

Tuesday Morning, June 4, 9:15 o'clock

Report of Secretary—J. C. Caviston
Address of Chairman—F. W. Curtis, superintendent of safety and fire prevention, Denver & Rio Grande Western
Address—C. H. Buford, vice-president, operations and maintenance department, Association of American Railroads
Report of Committee on Prevention of Highway Crossing Accidents—D. H. Beatty, chairman, superintendent of safety, Southern
Grade Crossing Accidents—Col. F. W. Mattson, commissioner, Minnesota Railroad and Warehouse Commission

Tuesday Afternoon, June 4, 1:45 o'clock

Report of Committee on Train-Service Accidents—C. R. Young, chairman, manager of personnel, Illinois Central
The Use of Statistics in Accident Prevention—Dr. M. O. Lorenz, director, Bureau of Statistics, Interstate Commerce Commission
The History of Organized Safety On: (a) Chicago. St. Paul, Minneapolis and Omaha—Carl R. Gray, Jr., executive vice-president (b) New York Central—Chas. E. Hill, general safety agent
Report of Committee on Trespassing—P. F. Buckle, chairman, superintendent of safety, Chicago, Burlington & Quincy
Good Health and Safety—Dr. C. F. Hegner, president, Western Surgical Association
Report of Committee on Nominations—Robert Scott, chairman, director Dept. of Insurance and Safety, Atlantic Coast Line
Election of Members of Committee of Direction Appointment of Tellers

Wednesday Morning, June 5, 9:15 o'clock

Report of Committee on Train Accidents—E. L. Henry, chairman, assistant to general manager, Chicago & North Western
Address—S. N. Mills, director, Bureau of Safety,

Interstate Commerce Commission
Report of Committee on Statistics—T. H. Carrow, chairman, superintendent of safety, Pennsylvania

As the Legal Officer Sees the Safety Movement—E. S. Williams, vice-president and general counsel, Western Maryland

Report of Committee on Education—L. G. Bentley, chairman, general safety agent, Chesapeake & Ohio

Safety Must Play a Major Role in Streamlined Railroad Operation—Elmer T. Howson, vice-president, Simmons-Boardman Publishing Corporation, western editor, Railway Age
Report of Tellers as to Result of Election

Wednesday Afternoon, June 5, 1:45 o'clock

Report of Committee on Uniformity in Accident Reporting—Chas. E. Hill, chairman, general safety agent, New York Central
Address—T. J. Thomas, assistant to president, Chicago, Burlington & Quincy

Report of Committee on Uniform Safety Code—J. R. Tenney, chairman, supervisor of safety, Western Maryland

Address—Lew R. Palmer, conservation engineer, The Equitable Life Assurance Society

Report of Committee on Nontrain Accidents—J. E. Long, chairman, superintendent of safety, Delaware & Hudson

The Supervisor's Responsibility in Safety—G. A. Goerner, general storekeeper, Chicago, Burlington & Quincy

Thursday Morning, June 6, 9:15 o'clock

Panel Discussion—C. L. LaFountaine, panel leader, general safety supervisor, Great Northern

(a) Maintenance of Way Injuries—Bernard Blum, chief engineer, Northern Pacific

(b) Maintenance of Equipment and Stores Injuries—E. R. Gorman, superintendent of motive power and machinery, Chicago, St. Paul, Minneapolis & Omaha

(c) Transportation Injuries—W. W. Judson, general manager (Eastern district) Northern Pacific

Luncheon Meeting

Thursday, June 6, 12:30 P. M.

Address by Harold E. Stassen, governor of Minnesota

West Virginia Lines Seek Tax Reduction

The West Virginia Railroad Association has filed an appeal for a 10 per cent reduction in tangible valuations of railroad property in the state for 1940 tax assessments with the State Board of Public Works, which opened hearings on May 20 at Charleston.

The association, which represents the C. & O., N. & W., Virginian, P. R. R., W. M., N. Y. C., and Monongahela, called attention in its brief to the obligation of assessing bodies to give effect to changing business conditions in determining valuation for assessment purposes (a principle enunciated by the U. S. Supreme court in the Great Northern Tax Case, decided February 3, 1936), and claimed that the West Virginia Board did not undertake to do this with respect to railroads in the state; assessments have remained practically unchanged during the past several years. And yet, the brief read, competitive transport agencies, fostered by the government, have dug deeply into railroad traffic.

It informed members of the board that the tremendous increase in water-borne traffic which passes down the Great Kanawha is visible "from your office windows in the capitol;" that the tonnage carried in the Huntington district along in 1939 was greater than that carried on the entire Ohio river from Pittsburgh, Pa., to Cairo, Ill., in 1919. "If this lading had moved over the railroads, there would have been more earnings to this state and more taxes paid by the railroads that are represented here this morning asking your consideration for lower assessments because of less business."

The railroads went on to point out that

their tax bill is relatively higher than that of any other industry. The brief pointed out that the state board uses 66½ per cent of true value in its computation of railroad assessment, while it is the railroads' belief that all property in the state, other than railroad and public utility, is assessed at an average value much less than two-thirds of estimated true value. Further, the attitude of the public has been to encourage the increase of railroad and utility taxes. Thus when elections for increased debt services are desired, "campaigns are conducted among the electorate to give the impression that the citizens generally do not have to pay much but that the railroads and other corporations will take care of the needs. "For example," the brief said, "the Putnam County school bond issue of \$350,000 was defeated in February. It was revived again and posters were distributed among the voters which advised the citizens to vote for the increased debt, since three-fourths of it would be paid by the railroads through increased taxes."

At another point, the brief charged that virtual confiscation of property results from aggregate transportation privilege taxes, with a surtax thereon of 30 per cent, paid to the state by the railroads, which taxes now exceed the total gross earnings on intrastate business of these roads in West Virginia.

Program for Superintendents' Convention

The American Association of Railroad Superintendents will hold its forty-sixth annual convention at the Stevens Hotel, Chicago, on June 4-6. The program for this meeting is as follows:

Tuesday, June 4

MORNING SESSION—10:00 A. M.

Convention called to order
Opening Address on Behalf of Chicago Railroads—By C. E. Johnston, chairman, Western Association of Railway Executives, Chicago
Address by the President—C. B. Pettit, superintendent, St. Louis Southwestern, Pine Bluff, Ark.
Report of Secretary-Treasurer—F. O. Whiteman
Report of Committee on The Operation of an L.C.L. Freight House; H. E. Bixler (chairman), merchandise supervisor, New York, New Haven & Hartford, New Haven, Conn.

AFTERNOON SESSION—2:00 P. M.

Report of Committee on Operating Aspects of Maintenance of Way Practices and Their Effect on High-Speed Train Schedules; E. Sullivan (chairman), superintendent, Missouri Pacific, Coffeyville, Kan.
Address on Looking at Our Problems Through the Eyes of an Operating Officer—By G. Metzger, chairman, Transportation Division, Association of American Railroads—assistant vice-president, New York Central, Lines West of Buffalo, Chicago
Report of Committee on Operating Aspects of Maintenance of Equipment Practices; W. S. Butler (chairman), superintendent, Chesapeake & Ohio, Russell, Ky.

Wednesday, June 5

MORNING SESSION—9:30 A. M.

Report of Committee on Practical Means for Securing Compliance with Operating Rules; E. C. Gegenheimer (chairman), superintendent, Pennsylvania, Altoona, Pa.
Address on Making a Safety Program Work—By E. L. Henry, superintendent of safety, Chicago & North Western, Chicago
Report of Committee on Division Staff Meetings; Frank Cizek (chairman), superintendent, Delaware, Lackawanna & Western, Binghamton, N. Y.

LUNCHEON—12:30 P. M.

Address—By Samuel O. Dunn, chairman, Simmons-Boardman Publishing Corporation, and editor, Railway Age

AFTERNOON SESSION—2:00 P. M.

General Theme—Improving Our Relations with the Public

Address on What the Bus Lines Can Teach the Railways in Handling the Public—By T. N. Gretzer, secretary-treasurer, National Trailways, Inc., Chicago

Address on What the Air Lines Can Teach the Railways—By Ralph Damon, vice-president-operations, American Airlines, Inc., Jackson Heights, N. Y.

Address on Service As the Shipper Sees It—By J. E. Bryan, president, National Industrial Traffic League—general traffic manager, Wisconsin Pulp & Paper Company, Chicago

Moving Pictures—Illustrating methods of training employees contacting the public—Courtesy of Illinois Bell Telephone Company

Thursday, June 6

MORNING SESSION—9:30 A. M.

Report of Committee on Handling Perishable Traffic; V. H. Wilson (chairman), superintendent, Atchison, Topeka & Santa Fe, San Bernardino, Cal.

Report of Committee on Operating Problems of High-Speed Passenger Service; H. A. Parish (chairman), superintendent, Chicago & North Western, Boone, Iowa

Closing business

On Thursday afternoon those attending the convention and other railway men interested in the operation of the Chicago terminals will make an inspection of the hump yard and car icing facilities of the New York Central at Blue Island (Chicago) via a special train, passing through the stockyards and Argo industrial districts outbound and returning via Gibson and Indiana Harbor.

Forwarder Rates Declared Illegal

(Continued from page 980)

ment moving under tariffs on file with the I. C. C.

In its decision the commission had ordered the tariffs canceled upon the ground that they were unlawfully discriminatory in affording lower rates to forwarders than to other shippers. In reviewing the evidence the three-judge court sitting in the federal district court for the Northern District of Illinois, found against the commission and issued an injunction permanently enjoining the enforcement of the commission's order.

After reviewing the arguments of the attorneys for the forwarders that their operations were less expensive than those of the ordinary small shipper, Justice Black said that "Weighty as these arguments were, they did not persuade the commission that forwarders could without discrimination be given lower less truck load rates than other shippers."

"The commission," he continued, "was impressed by the facts that the proposed rates were not in reality available to all of the shipping public and in practical effect would operate for the special benefit of the forwarders and would not benefit the owner of the goods shipped; that section 216 (d) of the Interstate Commerce Act represented a manifestation of the congressional purpose in Part I, Section 2, and Part II, Section 202 (a) of the Act, to prevent favoritism by insuring equality of treatment on rates for substantially similar services; and that the proposed tariff would afford 'forwarders . . . and possibly a very few large shippers . . . transportation at rates lower than the rates which . . . (would) be charged certain other shippers under substantially similar circumstances and conditions, in violation of Section 216 (d)'. Moved by

these considerations, the commission concluded that the mere fact that forwarders might ordinarily furnish a volume of traffic greater than but identical in kind with that furnished by individual shippers did not justify lower rates for forwarders."

Later on in his decision Justice Black declared that a special allowance to a forwarder as an inducement to ship goods by a particular carrier would be an illegal rebate, and he went on to point out that similarly, forwarders are shippers protected by the Interstate Commerce Act from discrimination by carriers.

"As shippers," he concluded, "forwarders do business subject to the paramount principle that Congress intended our national transportation system to operate without favoritism. Pursuant to its duty to apply that principle upon a national scale, the commission can prevent unjust rate discrimination by carriers against other shippers and in favor of forwarders. The particular problem here involved is but a segment of the larger complicated national problem of rates with which the commission must deal. As exemplified by this record, the commission is 'informed by experience' of years in its consideration of the relationship of forwarders to our national transportation system.

"The fact that the commission acted upon its motion without complaints by individual shippers did not detract from the commission's power to protect and maintain a transportation system free from partiality to particular shippers. The commission acted in its capacity as a public agency and carried out duties imposed upon it by Congress in the interest of shippers generally, the national transportation system and the public interest. Its order was the embodiment of the commission's judgment that the proposed tariff was a discrimination prohibited by the Act. 'The judgment so exercised, being supported by ample evidence, is conclusive.'"

Eastman Holds Job Freeze a Perilous Doctrine

It is clearly unsound and contrary to the best interests of the country to compel wasteful work to be performed and it is particularly perilous to all concerned, including employees, to apply such doctrine to the railroads under present conditions, said Joseph B. Eastman, chairman of the Interstate Commerce Commission in a discussion of S.2009, the general transportation bill, before the Western Railway Club at Chicago on May 20.

"The employees of no other industry in the country," he continued in part, "have, so far as I am aware, been given by law such protection as the employees of the railroad industry were given by the Senate bill. Not only that, but it is protection of a kind which Congress has never seen fit to give, and no president has recommended be given, to the employees of the federal government. The House amendment went beyond any reasonable protection and arbitrarily debarred the railroads from one possible opportunity to conduct their operations with greater economy. It thus undertook by fiat to compel wasteful employment. If this is a sound principle to apply to the railroads, it is equally sound for industries generally,

and the right thing to do is to prohibit by law all such efforts in the direction of economy and thrift. Certainly there is no good reason for singling out for such treatment poverty-stricken railroads that are up against the hardest competitive fight in their history.

"Under modern conditions, not only the individual railroad but the railroad industry as a whole is in need of creative planning and leadership. It may be doubted whether this need can adequately be supplied by an association which is ruled by a board of directors each of which is primarily responsible for the welfare of an individual railroad. One possible way of remedying this situation would be to substitute a small board of directors adequately compensated but freed from all such conflicts and diversions of interest. Another would be to create a subsidiary research organization and allow it to function and to reach and announce its conclusions without dictation or interference. When I had the temporary position of Co-ordinator, the Science Advisory Board of the National Research Council at my request appointed a committee of eminent and experienced men drawn largely from great industries of the country to consider with a group of six eminent railroad executives the desirability of the establishment by the railroads of a centralized organization for scientific and engineering research. All unanimously reached the conclusion that such an organization should be established. That was five years ago, and there is still no such organization."

Speaking of the problem of high costs in merchandise traffic, Mr. Eastman declared: "The staff of the Co-ordinator found that in 1932 the average revenue received from rail less-than-carload traffic was \$16.60 per ton originated, and that the average cost of handling, including only operating expenses and taxes, was at least \$20.73 per ton. The so-called out-of-pocket expense was estimated at not less than \$11.70 per ton. These figures were not challenged, as I recall it, and confirmed prior general impressions gained from the railroads themselves. They had often complained of the burden of less-than-carload freight. Since 1932 the cost of handling such freight has been greatly increased by the addition of store-door collection and delivery service. In 1938, the rates were increased 10 per cent, but only because of the general rise in railroad costs. No attempt was made to cover the new terminal service.

"This being the situation, what do we find the railroads doing? The answer is that they are cutting less-than-carload rates right and left, and often to levels which would be none too high for much carload traffic. There has been nothing that I have seen to indicate that they have stopped to consider whether they may not in some instances be cutting below the level of even out-of-pocket expense and the reductions are being made without any apparent general plan and in the hope of recovering traffic from the trucks. Unfortunately for this hope, the trucks almost invariably make corresponding cuts, so that the final result is a revenue loss for all concerned. If there is good sense in this method of attacking the merchandise

freight problem, it remains to be discovered."

I. C. C. Denied Power Over Non-Operating Employees

Reversing a recent two-to-one decision of a statutory three-judge court of the United States District Court for the District of Columbia the United States Supreme Court on May 27 in a five-to-four decision, upheld the Interstate Commerce Commission's contention that it does not have authority under the Motor Carrier Act to prescribe maximum hours of service for non-operating employees of common and contract motor carriers. Justice Reed delivered the opinion for the majority, while Chief Justice Hughes, and Associate Justices McReynolds, Stone and Roberts noted their dissents, saying that their reasons were stated in the opinion of the lower court.

The effect of the court's decision will be to place office and other non-operating employees of motor carriers within the scope of the 42-hour week limitation of the Fair Labor Standards Act, which requires the payment for overtime at the rate of time-and-a-half. At present the commission has set a maximum 60-hour week for drivers and the truckers through their trade organization, the American Trucking Associations, Inc., by bringing suit against the commission, sought to have their non-operating employees placed under the commission's jurisdiction rather than under the more stringent regulations of the Wage and Hour Administration.

The commission decision which was contested by the A. T. A. was that handed down in Ex Parte No. MC-28, details of which were given in the *Railway Age* of May 20, 1939, page 880. In that case the motor carriers had contended that the commission should assert jurisdiction over all of their employees while the labor representatives wanted a disclaimer of jurisdiction so that the non-operating employees would be subject to the Fair Labor Standards Act.

After pointing out that section 204 (a) (1) (2) vests in the commission the power to establish reasonable requirements with respect to qualifications and maximum hours of service of employees of common and contract carriers by motor vehicle, Justice Reed asserted that the meaning of "employees" in this section "is limited to those employees whose activities affect the safety of operation. The commission has no jurisdiction to regulate the qualifications or hours of service of any others."

Justice Reed agreed with the government's contention as presented by Thomas Harris, government attorney, in his argument before the court on April 26, details of which were given in the *Railway Age* of May 4, page 793, that the legislative history of the Motor Carrier Act does not support the thesis that the term "employee" was so all inclusive as to include not only drivers but other non-operating employees.

The Justice also pointed out in his decision that the commission and the Wage and Hour Administration have both interpreted Section 204 (a) as relating solely to the safety of operation. "In any case," he said, "such interpretations are entitled to great weight. This is peculiarly true

here where the interpretations involve 'contemporaneous construction of a statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new.' Furthermore, the commission's interpretation gains much persuasiveness from the fact that it was the commission which suggested the provisions' enactment to Congress."





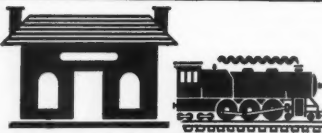

The lower court's two-to-one decision which formed the basis of the dissent in the Supreme Court, details of which were given in the *Railway Age* of December 9, 1939, page 897, examined the pertinent provisions of the Motor Carrier Act and interpreted the word "employees" as being "inclusive."

After pointing out that "If Congress had intended to distinguish between those employees engaged in actual operation of motor vehicles and those engaged in other work, it could have done so as it did in a former statute (the Hours of Service

Act), by the addition of less than half a dozen words," the lower court went on to declare that "In the view we take, the language of the disputed section is so plain as to permit only one interpretation, and we find nothing in the Act as a whole which can with any assurance be said to lead to a different result. The circumstances under which the section was placed in the bill may possibly have created a situation not contemplated by its sponsors, but to say that this is true would be pure speculation, in which we have no right to indulge and upon which we can base no conclusion. We are, therefore, obliged to hold that the commission was mistaken in limiting its powers to the drivers of trucks and buses."

New Haven Reports to Employees

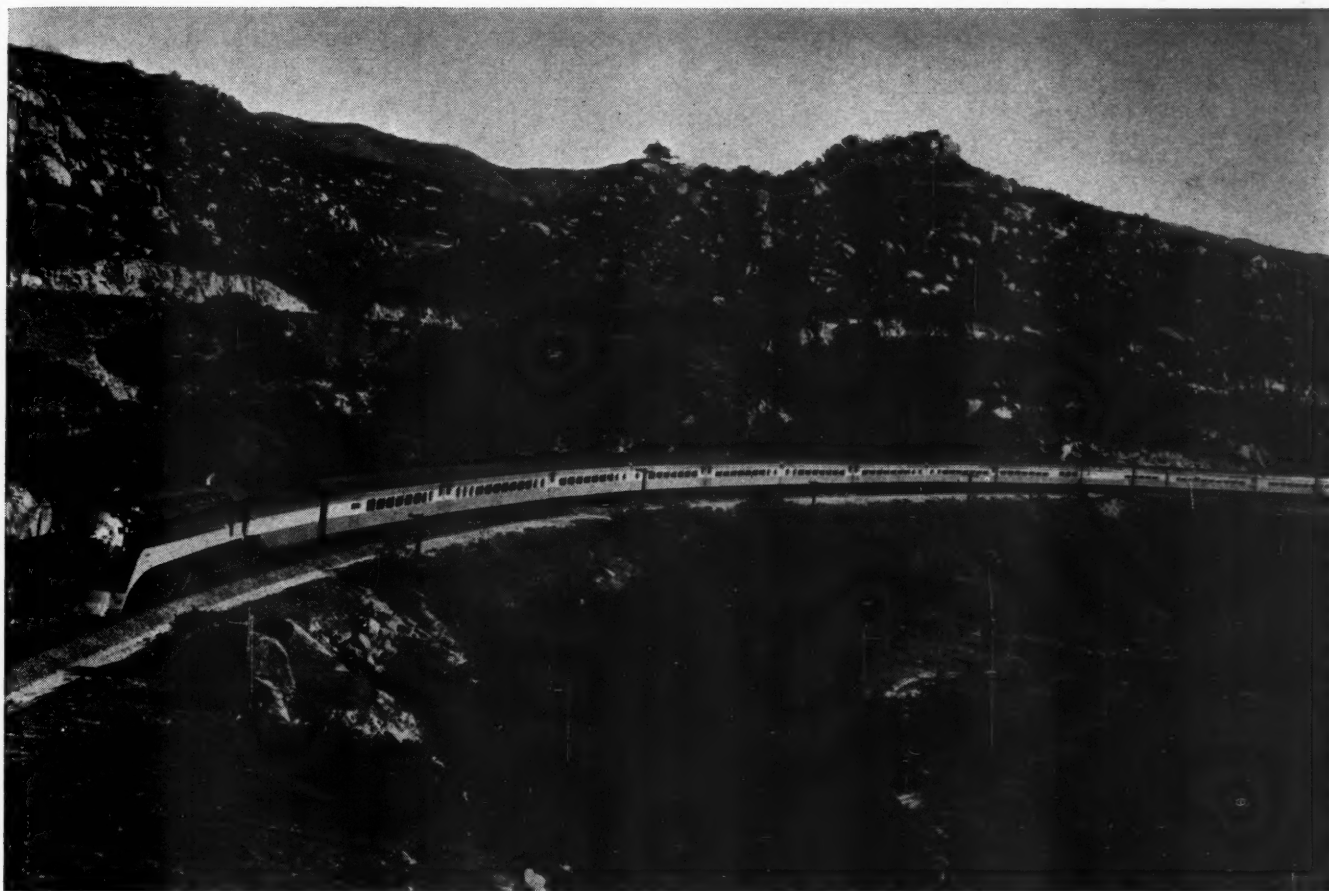
The current issue of the New York, New Haven & Hartford's employees' magazine, "Along the Line" is a special

HERE'S HOW WE EARNED OUR INCOME	
 FOR FREIGHT CARRIED SHIPPERS PAID US	\$47,525,678.
 PASSENGERS PAID US	27,381,782.
 FOR CARRYING MAIL UNCLE SAM PAID US	2,163,132.
 RAILWAY EXPRESS PAID US	1,533,646.
 OTHER TRANSPORTATION, DINING CARS, EXCESS BAGGAGE, ETC.	4,814,238.
 RENT FROM OTHER COMPANIES FOR USE OF OUR FACILITIES AND EQUIPMENT	589,731.
 INCOME FROM RENTS, INVESTMENTS, ETC.	2,725,526.
TOTAL	\$86,733,733.

This Typical Page From the New Haven's Annual Report to Employees Gives a Simple Break-Down of Earnings

Continued on next left-hand page

IN THE SUMMER



THE PUBLIC WANTS TO TRAVEL... *and it wants to travel on Streamliners*

Summer months mean increased travel on the part of the public. Progressive railroads have found that the majority of this traveling public heretofore used the highway but now prefer to travel on streamlined trains.

Capture your share of this potential source of revenue.
Power your trains with Lima streamlined locomotives.

LIMA LOCOMOTIVE WORKS



INCORPORATED, LIMA, OHIO

annual report for the 21,239 men and women making up the New Haven "family." Prepared in a simplified visual form, and using for the most part the symbol-diagrams which have become so popular of late in presenting statistical data to laymen, the report compares the financial picture of the road for 1939 to a typical family income-expense account of an employee himself.

A page devoted to wages shows that average wages on the New Haven have almost doubled since 1916, the average for 1939 being \$1861 as compared with \$958 in 1916. At the same time the total employees on the payroll have declined from 35,041 in 1916 to 21,239 in 1939. Other pages break down earnings into classes of income and expenditures into disbursement groups and show improvements in road-way and equipment during the last five years.

A special feature of the report is an extraordinarily clear story of the railroad's complicated reorganization proceedings accompanied by a map showing leased and mortgaged sections of the system involved.

Equipment and Supplies

LOCOMOTIVES

THE CHICAGO, BURLINGTON & QUINCY has placed an order with the Electro-Motive Corporation for two 1,000 hp. and seven 600 hp. Diesel electric switching locomotives for use in the Omaha switching district.

FREIGHT CARS

THE DONORA SOUTHERN has ordered 30 gondola cars of 70 tons' capacity from the Magor Car Corporation.

THE MISSOURI PACIFIC has been authorized by the district court to ask for competitive bids for thirty 70-ton covered hopper cars.

THE DENVER & RIO GRANDE WESTERN, reported in the *Railway Age* of April 20, page 726 as inquiring for 500 box cars of 50 tons' capacity, has ordered this equipment, subject to the approval of the court, from the Pressed Steel Car Company.

THE AMERICAN CAR & FOUNDRY COMPANY has been authorized by the Interstate Commerce Commission in a report by Commissioner Alldredge to construct 40 fusion-welded tank cars for experimental service in the transportation of caustic soda solution.

THE SOUTHERN was reported in the *Railway Age* of May 11, page 835, as having ordered 75 covered hopper cars of 70 tons' capacity from the Pullman-Standard Car Manufacturing Company. The same order was also reported in this issue under the name of the Cincinnati, New Orleans & Texas Pacific. Of these cars, 50 are for service on the Cincinnati, New Orleans & Texas Pacific and 25 on the Alabama

Great Southern, subsidiaries of the Southern.

IRON AND STEEL

LONG ISLAND.—A contract has been let to the American Bridge Company for 6,500 tons of structural steel, for use on a section of the Atlantic avenue, Brooklyn, N. Y., grade crossing elimination work. The Poirier & McLane Corporation, New York, is the general contractor.

SIGNALING

THE DULUTH, MISSABE & IRON RANGE has placed an order with the General Railway Signal Company covering materials for an automatic interlocking at Hull Junction, Minn. The material includes necessary searchlight signals, smashboards, and outlying switch locks to protect a junction between a single-track branch line and the double-track main line at this point.

THE MICHIGAN CENTRAL has placed an order with the General Railway Signal Company covering an all-relay interlocking plant to replace Tower 1 at Windsor, Ont., which was recently destroyed by fire. The new control machine, of the NX Type, will be located in the station. All relays in the new station relay room will be of the Type-A and Type-B plug-in type. New over-and-locked point detectors have been ordered for the 20 existing Model-4A switch machines which will be controlled from recently developed G. R. S. Co. plug-in switch machine controllers. New signals, where required, will be Type SA, and new track relays will be Type-L vane type. This plant controls the layout at the east end of the Detroit river tunnel where a change is made from steam to electric traction and vice versa. This railroad has also placed an order with the General Railway Signal Company for the necessary materials to control remotely the layout at Plant No. 2 Windsor from Plant No. 3 at the same point. This material includes a factory-wired steel bungalow to be located at Plant No. 2, a factory-wired relay rack for Plant No. 3 and a C. T. C. type control machine to be installed at Plant No. 3. Type-B plug-in relays will be used throughout with the new G. R. S. Co. plug-in circuit controller provided for the control of the 11 existing Model-4A switch machines. Point-detectors of the over-and-locked type have been ordered for installation in these switch machines.

MOTOR VEHICLES

THE SANTA FE TRAIL TRANSPORTATION COMPANY has received delivery of 17, 37-passenger, parlor car type buses from the a.c.f. Motors Company.

THE NORFOLK SOUTHERN BUS CORPORATION has received delivery of one 37-passenger parlor-car type bus from the a.c.f. Motors Company.

THE PACIFIC ELECTRIC RAILWAY COMPANY (Southern Pacific subsidiary) has received delivery of nine 37-passenger buses from the Twin Coach Company.

Supply Trade

G. L. Bourne of Superheater Passes

George Lewis Bourne, chairman of the board, The Superheater Company, and its affiliated Combustion Engineering Company, Inc., of New York, died on May 25, at his home in Larchmont, N. Y., at the age of 66. Mr. Bourne had been ill for several months. A sketch of his career will appear in next week's *Railway Age*.

Pierre S. du Pont has retired as chairman of the board and Lamot du Pont has resigned as president of E. I. du Pont de Nemours & Company, Wilmington, Del. Lamot du Pont was elected chairman of the board and Walter S. Carpenter, Jr., a vice-president, was elected president of the company.

J. R. Kumer, Jr., assistant manager of sales, stainless bar and wire products, for the Allegheny Ludlum Steel Corporation, Pittsburgh, Pa., has been appointed manager of stainless bar and wire sales succeeding C. B. Boyne. Louis F. Lippert of the sales division has been appointed manager of Pluramelt sales with headquarters at Pittsburgh.

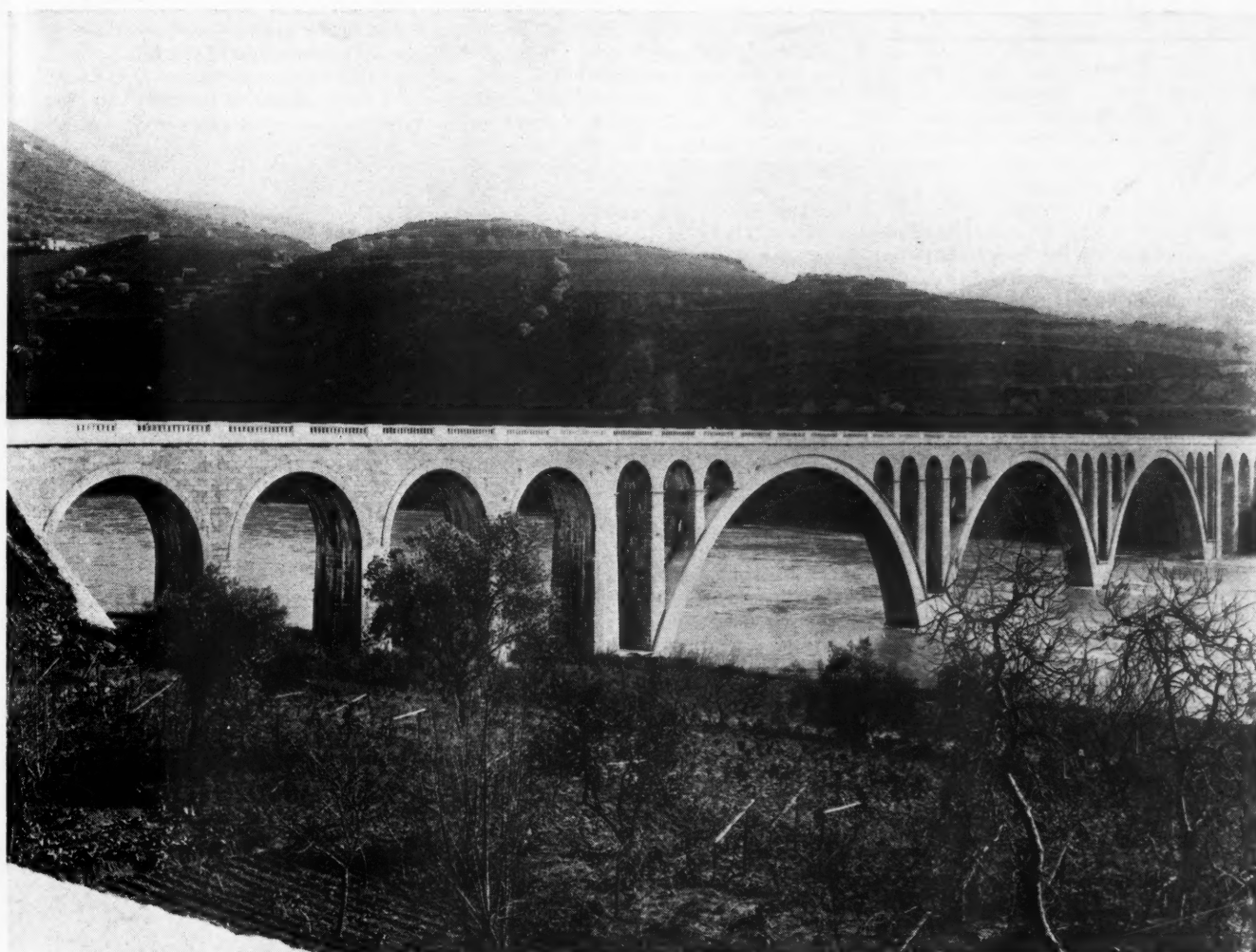
OBITUARY

E. J. Irving, vice-president of the National division of the Wood Preserving Corporation, Pittsburgh, Pa., died on April 4 at the age of 69 years.

Richard R. Paradies, sales manager of the railroad division of the Beckwith-Chandler Company, Newark, N. J., for the past twenty years, died suddenly of a heart attack on May 21, at his home in Elizabeth, N. J. Mr. Paradies was born 57 years ago in New York City and was for many years identified with the railroad supply industry.

Brigadier-general Otto H. Falk, chairman of the board of the Allis-Chalmers Manufacturing Company, Milwaukee, Wis., died in that city on May 21 of a heart ailment. He was born in 1866 and after a grammar school training entered Allen Military Academy in Chicago from which he was graduated as a captain. Later he joined the light horse squadron at Milwaukee, and in 1886 enrolled in the National Guard where he became adjutant of the Fourth infantry. He was promoted to adjutant general at 28 years of age and became a special inspector at the army quartermaster department in the Spanish-American war, with the rank of lieutenant colonel. He was appointed National Guard quartermaster by Gov. Peck in 1891, and retired in 1911 with the rank of brigadier-general. Gen. Falk was appointed receiver for the Allis-Chalmers Company in 1912, reorganized it as the Allis-Chalmers Manufacturing Company and a year later was elected president. He became chairman of the board in 1932.

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REGUA BRIDGE

PORTUGAL

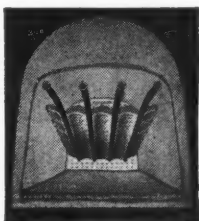
This fine 1250 ft. masonry structure, which was built in 1934, carries a single track of the Regua-Lamego Railway of Portugal. The height of the rails above water is 117 ft. The structure is composed of three main arches each of 211 ft. span, seven arches of 39 ft. span, and sixteen arches each of $19\frac{1}{2}$ ft. span. > > > 31 years ago the American Arch Company demon-

strated to the railroads the practicality of standardizing Arch tubes and Arch Brick sizes and designs. Today, because it has been constantly developed to keep pace with modern railroading, the Security Sectional Arch is still standard on American Railroads.

There's More to SECURITY ARCHES Than Just Brick

**HARBISON-WALKER
REFRACTORIES CO.**

Refractory Specialists



**AMERICAN ARCH CO.
INCORPORATED**

60 EAST 42nd STREET, NEW YORK, N. Y.

***Locomotive Combustion
Specialists***

Financial

AKRON, CANTON & YOUNGSTOWN—NORTHERN OHIO.—Reorganization.—Division 4 of the Interstate Commerce Commission has certified to the federal district court for the Northern District of Ohio the result of the creditor voting on a final plan of reorganization under section 77 of the Bankruptcy Act for these companies. An examination of the commission's certificate shows that holders of the A. C. & Y. common stock and collaterally secured promissory notes voted to reject the plan, while all other classes of claimants almost unanimously accepted the plan.

Section 77 of the Bankruptcy Act provides that a plan may be effectuated if two-thirds of the creditors voting in each class accept the plan; but the federal court is given the power to impose a plan if it is satisfied that it meets all the requirements of the law, even though the required percentage of votes is not favorable.

ALABAMA GREAT SOUTHERN.—Annual Report.—In publishing extracts from the 1939 annual report of this road on page 767 of the *Railway Age* of April 27, it was erroneously reported that the net income figure of \$2,111,051 for 1939 represented a decrease of \$614,872 as compared with 1938. This latter figure should have been shown as an increase over the previous year.

BOSTON & MAINE.—Voluntary Exchange Plan.—Warning that "unassented bonds will lose the right to share in the cash distribution under the plan which is now expected to be \$300 per \$1,000 bond and will not participate in the sinking fund on the new bonds," and that "no bonds will be purchased in order to effectuate the plan," W. S. Trowbridge, vice-president, Boston & Maine, issued a final request on May 23 to holders of \$10,000,000 of the road's bonds to assent to the plan of exchange.

The statement went on to say, "We wish to emphasize that the railroad is under absolutely no compulsion, legal or otherwise, to retire any of these bonds prior to their maturity. No bonds will be purchased in order to effectuate the plan. If the plan is consummated without the assent of those bondholders, their unmatured bonds will simply remain outstanding. If the plan is consummated, the railroad will make application to list all bonds issued under the plan and to delist all unassented bonds. Further, as interest matures on any unassented bonds, the railroad has a right, it is advised, to delay payment without danger of default under the mortgage.

"While such action would be disagreeable to bondholders, it would, we believe, be entirely justified since we do not feel that we owe any consideration to speculators who seriously endanger successful consummation of the plan by attempting to obtain some special advantage for themselves at the expense of the vast majority of bondholders, who have supported the plan."

CHICAGO & ILLINOIS MIDLAND.—Securities.—This company has asked the Inter-

state Commerce Commission for authority to issue \$2,000,000 of its 2¼ per cent unsecured serial notes; \$2,150,000 of its four per cent unsecured serial notes; \$2,150,000 of its five per cent unsecured serial notes; and \$1,000,000 in par amount of additional capital stock. The \$2,000,000 of notes will be sold to a group of Chicago banks; while the remainder of the notes and the common stock will be assumed by the Commonwealth Edison Company of Chicago.

Out of a total issue of \$7,300,000 the proceeds will be used to redeem \$4,700,000 of first mortgage 20-year sinking fund 4½ per cent bonds, due March 1, 1956; one six per cent income debenture of \$1,500,000 due March 1, 1957; and one five per cent note for \$750,000 due December 1, 1948, making a total of \$6,950,000 to be redeemed. The difference between the \$7,300,000 to be realized from the sale of the securities and the \$6,950,000 which will be used to redeem the outstanding securities, \$350,000 will be used to reimburse the company's treasury for sums already expended.

CHICAGO, ROCK ISLAND & PACIFIC.—Trustee's Certificates.—This company has been granted authority to issue \$4,500,000 of 2½ per cent trustees' certificates, to be delivered to the holders of a like principal amount of outstanding three per cent certificates in exchange therefor. The three per cent certificates will mature June 1.

DENVER & SALT LAKE.—Annual Report.—The 1939 annual report of this company shows net income of \$1,820 after interest and other charges, an increase of \$973 as compared with net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$2,290,818	+\$26,214
Maintenance of way	349,604	+77,589
Maintenance of equipment	489,190	+31,161
Transportation	710,127	+16,984
TOTAL OPERATING EXPENSES	1,690,981	+120,629
Operating ratio	73.82	+7.68
NET REVENUE FROM OPERATIONS	599,836	-94,415
Railway tax accruals	349,804	-3,506
Hire of equipment—net Dr.	50,230	+2,182
Joint facility rents—net	601,063	+16,733
NET RAILWAY OPERATING INCOME	800,865	-76,358
TOTAL OPERATING AND OTHER INCOME	808,677	-78,597
Rent for leased roads	406,476	-22,885
Interest on funded debt	390,000	-55,000
TOTAL DEDUCTIONS FROM GROSS INCOME	806,857	-79,571
NET INCOME	\$1,820	+\$973

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.—Equipment Trust Certificates.—This company has asked the Interstate Commerce Commission for authority to assume liability for \$5,000,000 of 1¾ per cent equipment trust certificates, maturing in varying amounts beginning January 1, 1941, and continuing quarterly thereafter for a period of three years and nine months from the date of issue. The proceeds will be used to provide, in part, funds to re-

finance matured equipment trust certificates series A and C to L inclusive, which have been partially paid and on which the portion unpaid is \$5,283,400.

The petition points out that as a result of the financing, if the certificates are sold on July 1, the company will save \$302,206 in interest payments. The issue will be sold, subject to the commission's approval, to a group of banking firms comprised of Salomon Brothers & Hutzler, Dick & Merle-Smith, and Stroud & Co., Inc., at par plus interest.

GEORGIA & FLORIDA.—R. F. C. Financing.—At this company's request, Division 4 of the Interstate Commerce Commission has dismissed its application for approval of the purchase by the Reconstruction Finance Corporation for \$120,000 of \$219,000 of its equipment trust certificates.

GULF COAST LINES.—Annual Report.—The 1939 annual report of the New Orleans, Texas & Mexico and its affiliated companies shows net deficit of \$243,579 after interest and other charges, a decrease of \$682,288 as compared with net deficit in 1938. Selected items from the consolidated income account follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage operated	1,759.35	-5.41
RAILWAY OPERATING REVENUES	\$14,899,012	+\$704,551
Maintenance of way	2,296,991	-41,427
Maintenance of equipment	2,359,808	+137,060
Transportation—Rail	4,534,004	-139,242
TOTAL OPERATING EXPENSES	10,319,275	-49,416
Operating ratio	69.26	-3.79
NET REVENUE FROM OPERATIONS	4,579,736	+753,967
Railway tax accruals	868,295	+8,576
Railway operating income	3,711,441	+745,391
Net rents payable	1,243,578	+43,420
NET RAILWAY OPERATING INCOME	2,467,862	+701,971
Other income	134,590	-22,597
TOTAL INCOME	2,602,453	+679,373
Rent for leased roads and equipment	979	-2,148
Interest on funded debt	2,681,445	-10,840
TOTAL FIXED CHARGES	2,827,551	-7,777
NET DEFICIT	\$243,579	-\$682,288

HUNTINGDON & BROAD TOP MOUNTAIN RAILROAD & COAL.—Equipment Trust Certificates.—This company has asked the Interstate Commerce Commission for authority to extend the maturity date to October 1, 1944 of unpaid equipment trust certificates totaling \$110,000, of an original obligation of \$300,000. The petition says that it is proposed that a cash payment of \$33,000 be made to the holders of the certificates in default; that the company will continue to pay the trustees a rental equal to the interest due in the past on the \$110,000, which shall be used by the trustee for (1) paying interest at three per cent on the reduced amount of the certificates outstanding, and (2) creating a sinking fund for the retirement of the certificates.

INTERNATIONAL-GREAT NORTHERN.—An-

Continued on next left-hand page

Guided by Experience

Through an intimate knowledge of the channel, the pilot is able to bring the ship safely past reefs, wrecks and shoal waters. He KNOWS the right way.

So is this company well qualified to advise you in regard to superheaters for new or modernized locomotives. This qualification comes from thirty years experience in designing, manufacturing and observing the performance of superheaters on locomotives throughout the world.

This experience has taught us to correctly design a superheater that will efficiently and amply take care of the boiler requirements of a locomotive under maximum conditions. We KNOW the right way.

When considering superheaters for new locomotives or for modernized locomotives, be guided by experience. Our world-wide experience is at your disposal for the asking.



SUPERHEATERS • FEEDWATER HEATERS
AMERICAN THROTTLES • STEAM DRYERS
EXHAUST STEAM INJECTORS • PYROMETERS

THE
SUPERHEATER
C O M P A N Y

Representative of
AMERICAN THROTTLE COMPANY, INC.
60 East 42nd Street, NEW YORK
122 S. Michigan Ave. CHICAGO
Montreal, Canada
THE SUPERHEATER COMPANY, LTD.

Annual Report.—The 1939 annual report of this road shows net deficit of \$2,970,082 after interest and other charges, a decrease of \$410,976 as compared with net deficit in 1938. Selected items from the consolidated income account follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated	1,154	.....
RAILWAY OPERATING REVENUES	\$11,416,813	-\$384,395
Maintenance of way	1,845,571	-85,934
Maintenance of equipment	2,268,098	-61,835
Transportation—Rail	4,864,200	-460,163
TOTAL OPERATING EXPENSES	9,976,289	-641,271
Operating ratio	87.38	-2.59
NET REVENUE FROM OPERATIONS	1,440,524	+256,876
Railway tax accruals	718,960	+24,115
Railway operating income	721,563	+232,761
Net rents	926,034	-156,116
NET RAILWAY OPERATING INCOME	*204,470	+397,877
Other income	48,026	+4,509
TOTAL INCOME	*156,444	+402,387
Interest on funded debt	2,794,909	-11,025
TOTAL FIXED CHARGES	2,800,401	-10,293
NET DEFICIT	\$2,970,082	-\$410,976

* Deficit.

KANSAS CITY SOUTHERN.—*New Directors Elected.*—E. G. Bennett, president, First Securities Corporation of Utah, and P. H. Saunders, chairman of the Kansas City Public Service Company, were elected directors of this road at a meeting of the board on May 27, to fill two additional directorships authorized by an amendment to the by-laws of this company, approved at the annual meeting of the stockholders on May 14. Both of the two new directors are also directors of the Louisiana & Arkansas.

KANSAS CITY SOUTHERN.—*Equipment Trust Certificates and R. F. C. Financing.*—Division 4 of the Interstate Commerce Commission has approved a plan whereby this company would assume liability for and sell to the Reconstruction Finance Corporation \$1,112,000 of its 2½ per cent equipment trust certificates, maturing in 20 semi-annual installments as follows: \$56,000 on September 1, 1940, and on March 1 and September 1 of each year thereafter to and including March 1, 1946, and \$55,000 on September 1, 1946, and on March 1 and September 1 of each year thereafter to and including March 1, 1950.

LOUISVILLE & NASHVILLE.—*Abandonment.*—This road and the Louisville, Henderson & St. Louis have applied to the Interstate Commerce Commission for authority, respectively, to abandon operation and abandon the latter's 37.7-mile line between Irvington, Ky., and Fordsville.

MIDDLETOWN & UNIONVILLE.—*Extension of Bond Maturity.*—This company has asked the Interstate Commerce Commission for authority to extend from November 1, 1943, to November 1, 1963, the maturity of \$200,000 of first mortgage gold bonds and the maturity of \$165,500 of adjustment mortgage income bonds, and to

reduce the rate of interest of the first mortgage bonds from five per cent to four per cent and the interest rate on the adjustment mortgage bonds to three per cent.

MISSOURI PACIFIC.—*Annual Report.*—The 1939 annual report of this road shows net deficit of \$13,093,262 after interest and other charges, a decrease of \$1,674,697 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated	7,159.20	-14.48
RAILWAY OPERATING REVENUES	\$83,059,361	+\$2,310,287
Maintenance of way	12,894,036	+223,961
Maintenance of equipment	16,434,100	+1,032,974
Transportation—Rail	30,355,000	-232,062
TOTAL OPERATING EXPENSES	65,526,280	+903,966
Operating ratio	78.89	-1.14
NET REVENUE FROM OPERATIONS	17,533,080	+1,406,320
Railway tax accruals	5,655,112	-180,337
Railway operating income	11,877,968	+1,586,658
Net Rents Payable	4,681,979	-129,834
NET RAILWAY OPERATING INCOME	7,195,989	+1,716,492
Other income	731,082	-263,453
TOTAL INCOME	7,927,072	+1,453,039
Rent for leased roads and equipment	137,714	-1,783
Interest on funded debt	16,777,927	-526,005
TOTAL FIXED CHARGES	20,904,272	-208,319
NET DEFICIT	\$13,093,262	-\$1,674,697

MISSISSIPPI CENTRAL.—*Annual Report.*—The 1939 annual report of this road shows net deficit of \$136,037 after interest and other charges, an increase of \$45,848 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$863,319	+\$69,386
TOTAL OPERATING EXPENSES	753,292	+111,255
NET REVENUE FROM OPERATIONS	110,026	-41,869
Railway tax accruals	54,273	-172
Railway operating income	55,753	-41,697
NET RAILWAY OPERATING INCOME	8,072*	-46,037
Other income	2,748	-51
TOTAL INCOME	5,323*	-46,087
Interest on funded debt	116,855	.....
TOTAL FIXED CHARGES	130,067	-313
NET DEFICIT	\$136,037	+\$45,848

* Loss.

NEW YORK CENTRAL.—*Abandonment.*—This road and the Michigan Central have applied to the Interstate Commerce Commission for authority, respectively, to abandon operation and abandon a 4.1-mile section of the Michigan Central's so-called Air Line in Jackson County, Mich., from Haires to O. D. Tower.

NEW YORK CENTRAL.—*New Directors*

Elected.—G. A. Ranney, Chicago; M. P. Aldrich, New York, and R. D. Starbuck, executive vice-president of the road, New York, were elected new directors at the annual meeting of stockholders in Albany, N. Y., on May 22. They succeed the late James Simpson, Chicago; the late E. S. Harkness, New York, and W. P. Chrysler, New York, respectively.

NEW YORK, NEW HAVEN & HARTFORD.—*Reorganization.*—Several petitions have been filed with the Interstate Commerce Commission during the past week asking for a reopening of this company's reorganization proceedings for the introduction of various types of evidence.

Numerous groups including the Commonwealth of Massachusetts and the Special Railroad Commission of that state have asked the commission to reopen the case for the introduction of testimony showing that the Old Colony should be included in the reorganized New Haven system. The final report of the commission made no present provision for the Old Colony.

The New Haven has asked the commission to modify its final plan by increasing the capitalization of the new company and giving recognition to the present equity holdings, rather than wiping them out completely as was done by the final plan. Among those asking for either a rehearing, reargument before the full commission, or a modification of the final plan were the Pennsylvania, the Old Colony, the Railroad Credit Corporation, the City of Boston and the Boston Port Authority.

NORFOLK SOUTHERN.—*Equipment Trust Certificates and R. F. C. Financing.*—This company has asked the Interstate Commerce Commission to approve a plan whereby it would issue and sell to the Reconstruction Finance Corporation \$136,000 of its 2½ per cent equipment trust certificates, maturing in 20 semiannual installments of \$7000 on February 1, 1941, and \$7000 on each August 1 and February 1 of each year thereafter to and including August 1, 1948, and \$6000 on February 1, 1949, and \$6000 on each August 1 and February 1 of each year thereafter to and including August 1, 1950. The issue will provide 80 per cent of the purchase price of \$170,000 for equipment consisting of 40 50-ton steel framed 50-ft. flat cars with wooden deck, equipped with steel end racks and banking deck rails for carrying pulp wood, and 12 caboose cars with steel underframes.

NEW YORK, ONTARIO & WESTERN.—*Reorganization.*—Because of the uncertainty of the financial prospects of this company, Division 4 of the Interstate Commerce Commission has refused at this time to approve any plan of reorganization under section 77 of the Bankruptcy Act. After deciding that it should not approve a final plan "unless and until further operations of the property disclose the possibility of more profitable operation than is at present apparent," Division 4 said that its decision was without prejudice to the continuation of the reorganization proceedings.

TOLEDO, PEORIA & WESTERN.—*Annual Report.*—The 1939 annual report of this

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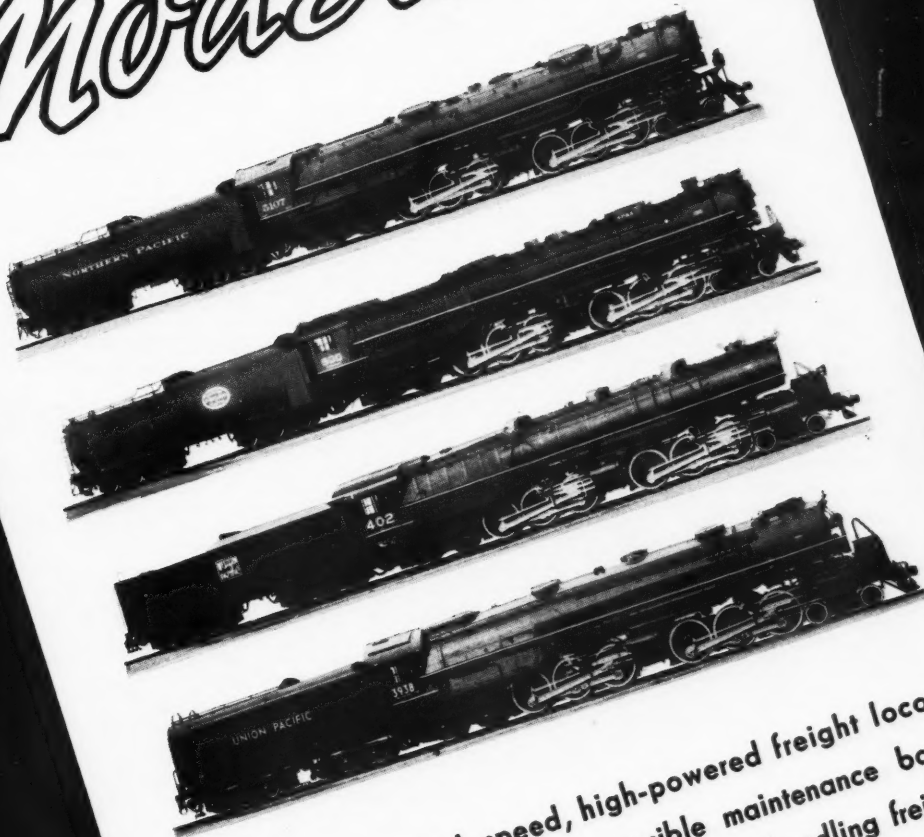
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MORE POWER TO
FREIGHT PROGRESS
WITH MORE . . .

Modern Power



MODERN high-speed, high-powered freight locomotives, with lowest possible maintenance both for the locomotive and right-of-way, are handling freight trains today at what, only a few years back, would have been considered very good fast passenger train schedules. Modern power pays big returns on the investment.

AMERICAN LOCOMOTIVE COMPANY
30 CHURCH STREET NEW YORK·N·Y

road shows net income of \$383,396 after interest and other charges, an increase of \$117,919 as compared with net income in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
RAILWAY OPERATING REVENUES	\$2,281,622	+\$132,349
Maintenance of way	459,817	-17,414
Maintenance of equipment	162,482	+23,038
Transportation	531,118	+26,237
TOTAL OPERATING EXPENSES	1,490,587	+41,745
NET REVENUE FROM OPERATIONS	791,035	+90,605
Railway tax accruals	162,744*	-25,357
Equipment rents—Net Dr.	203,921	+1,848
Joint facility rents—Net Cr.	18,614	-199
NET RAILWAY OPERATING INCOME	442,984	+113,914
Other income	15,000	-5,097
GROSS INCOME	457,984	+108,817
Interest on funded debt	63,089	-5,731
TOTAL DEDUCTIONS FROM GROSS INCOME	74,588	-9,101
NET INCOME	\$383,396	+\$117,919

*Tax accruals for 1939 were actually \$206,070.27. The amount shown of \$162,744.51 is after deducting \$43,325.76 excess provision made in prior years for prior year's Fed. Income Taxes. The amount of \$43,325.76 was credited to current earnings, rather than to profit and loss, at the direction of the I. C. C.

TONOPAH & TIDEWATER.—Abandonment.—The Interstate Commerce Commission, upon reconsideration, has affirmed the decision of Division 4 of November 21, 1939 granting authority to this company to abandon the operation of its line extending from Crucero, Calif., to its junction point with the Union Pacific at Beatty, Nev., 143.4 miles.

UNION PACIFIC.—Bonds.—This company has been authorized by Division 4 of the Interstate Commerce Commission to issue \$81,602,000 of refunding mortgage bonds, series A, maturing June 1, 1980, and bearing interest from June 1, 1940, at the rate of 3½ per cent. The proceeds will be used for the payment of \$85,902,000 of first lien and refunding mortgage bonds due June 1, 2008, of which \$65,902,000 are in the hands of the public, and \$14,098,000 are held in the company's treasury, with the company supplying the balance of \$4,300,000. The refunding mortgage bonds will be called September 1, 1940.

WESTERN MARYLAND.—Abandonment and Joint Operation.—This road has applied to the Interstate Commerce Commission for approval of arrangements whereby the applicant and the Baltimore & Ohio would make permanent a temporary agreement under which the two roads have been making joint use of their lines for passenger-train operations between Elkins, W. Va., and Belington—the trains of both roads operating over the B. & O. between Elkins and Norton and over the W. M. from Norton to Belington. The proposed abandonment involved is the 5.81 miles of W. M. line between Elkins Junction and Norton.

WESTERN PACIFIC.—Annual Report.—

The 1939 annual report of this company shows net deficit of \$1,967,638 after interest and other charges, a decrease of \$2,482,850 as compared with net deficit in 1938. Selected items from the income account follow:

	1939	Increase or Decrease Compared with 1938
Average Mileage Operated	1,207.51	.....
RAILWAY OPERATING REVENUES	\$16,689,989	+\$2,105,310
TOTAL OPERATING EXPENSES	12,998,764	-543,430
Operating ratio	77.88	-14.98
NET REVENUE FROM OPERATIONS	3,691,224	+2,648,740
Railway tax accruals	1,001,405	-33,094
Railway operating income	2,689,819	+2,681,834
Equipment rents—net	1,151,956	-71,294
Joint facility rents—net	136,626	-3,600
NET RAILWAY OPERATING INCOME	1,674,489	+2,606,939
TOTAL INCOME	1,965,466	+2,565,118
Interest on funded debt	2,828,100	-15,260
TOTAL INTEREST DEDUCTIONS	3,664,944	+88,988
NET DEFICIT	\$1,967,638	-\$2,482,850

WHEELING & LAKE ERIE.—Abandonment.—This company has been authorized by Division 4 of the Interstate Commerce Commission to abandon 2791 ft. of line in Cleveland, Ohio.

WHEELING & LAKE ERIE.—New Director Elected.—F. R. Denton, president of Mellon Securities Corporation, Pittsburgh, Pa., was elected a director of this road at the annual meeting of stockholders on May 22, succeeding R. C. Schaffner, whose term expired.

Dividends Declared

Albany & Susquehanna.—\$4.50, semi-annually, payable July 1 to holders of record June 15.
Atlanta, Birmingham & Coast.—Preferred, \$2.50, semi-annually, payable July 1 to holders of record June 12.
Bangor & Aroostook.—Preferred, \$1.25, quarterly, payable July 1 to holders of record June 5.
Boston & Albany.—\$2.50, payable June 29 to holders of record May 31.
Chesapeake & Ohio.—62½¢, quarterly; 4 Per Cent Preferred A, \$1.00, quarterly, both payable July 1 to holders of record June 7.
Cincinnati, New Orleans & Texas Pacific.—Preferred, \$1.25, quarterly, payable June 1 to holders of record May 15.
Dayton & Michigan.—\$1.00, quarterly, payable July 2 to holders of record June 15.
Delaware & Bound Brook.—\$2.00, quarterly, payable May 20 to holders of record May 14.
Erie & Pittsburgh.—\$87½¢, quarterly, payable June 10 to holders of record May 31.
Illinois Central (Leased Lines).—\$2.00, semi-annually, payable July 1 to holders of record June 11.
Kansas, Oklahoma & Gulf.—Series A, 6 Per Cent Cumulative Preferred, \$3.00; Series B and C, 6 per cent Non-Cumulative Preferred, \$3.00, both payable June 1 to holders of record May 23.
Mobile & Birmingham.—Preferred, \$2.00, semi-annually, payable July 1 to holders of record June 1.
Pennsylvania.—50¢, payable June 26 to holders of record June 1.
Pittsburgh & Lake Erie.—\$2.00, payable June 15 to holders of record May 24.
Pittsfield & North Adams.—\$2.50, semi-annually, payable July 1 to holders of record June 29.

Average Prices of Stocks and Bonds

	May 28	Last week	Last year
Average price of 20 representative railway stocks..	24.40	23.78	29.25
Average price of 20 representative railway bonds..	51.81	52.60	59.21

Railway Officers

EXECUTIVE

F. W. Brown, general manager of the Atlantic Coast Line, has been elected vice-president in charge of operations, with headquarters as before at Wilmington, N. C., continuing, also, as general manager.

W. W. Mayer, general real estate agent of the Pennsylvania, has been appointed assistant to the vice-president in charge of real estate, purchases and insurance, with headquarters as before at Philadelphia, Pa.

W. C. Hurst, senior vice-president of the Chicago & Illinois Midland, has been elected president, with headquarters as before at Springfield, Ill., succeeding J. F. Gilchrist, and **F. L. Schrader**, assistant to the senior vice-president, has been elected vice-president, also with headquarters at Springfield.

W. H. Wenneman, whose promotion to assistant to the president of the Chesapeake & Ohio lines, including the New York, Chicago & St. Louis (Nickel Plate) and the Pere Marquette, with headquarters at Cleveland, Ohio, was announced in the



W. H. Wenneman

Railway Age of May 11, was born in Cleveland on December 13, 1902, and attended business school. In November, 1918, he became office boy for O. P. and M. J. Van Sweringen at Cleveland. In 1923, he was appointed secretary in the office of the chairman of the Nickel Plate and from 1927 to 1930, served in a similar position on the C. & O., and the Hocking Valley (now part of the C. & O.). From 1930 to 1936, he was secretary to the chairman of the Missouri Pacific and also assistant to O. P. Van Sweringen in other railroad and real estate enterprises. On March 1, 1937, Mr. Wenneman returned to the C. & O., as assistant to the chairman of the board, with headquarters at Cleveland, the position he held until his recent promotion, which was effective May 1.

W. C. Hurst, whose election as president of the Chicago & Illinois Midland,

with headquarters at Springfield, Ill., is announced above with other appointments, was born at Durham, England, on June 27, 1877, and entered railway service in April, 1890, as a water boy on the Chicago, Burlington & Quincy in Missouri. He later served successively as a track laborer, yard clerk, rodman, assistant engineer, resident engineer on construction and engineer of construction. In July, 1903, he went



Conway Studios

W. C. Hurst

with the Missouri Pacific as assistant superintendent at Chester, Ill. Two years later he went with the Ann Arbor and the Detroit, Toledo & Ironton, assigned to special work in the general manager's office and four months later he was appointed superintendent at Springfield, Ohio. Mr. Hurst later served as a trainmaster and chief clerk to the president and general manager of the Pere Marquette, superintendent on the Cincinnati, Hamilton & Dayton (now part of the Baltimore & Ohio) at Dayton, Ohio, general superintendent of the Chicago, Peoria & St. Louis, and general superintendent of the Eastern district of the Pere Marquette, with headquarters at Saginaw, Mich. On January 1, 1914, he was appointed vice-president and general manager of the Chicago, Peoria & St. Louis, with headquarters at Springfield, Ill. During the period of federal control, Mr. Hurst served as general superintendent of the C. P. & St. L. and of the Chicago & Alton (now the Alton), and on February 1, 1920, he was appointed general manager for the receivers of the C. P. & St. L., later being appointed vice-president and general manager for the receivers. In 1926, the C. P. & St. L. was split up under reorganization, the northern half being assigned to the Springfield, Havana & Peoria, which, in turn, was leased to the Chicago & Illinois Midland, and Mr. Hurst was appointed senior vice-president of the C. & I. M., the position he held until his recent promotion.

FINANCIAL, LEGAL AND ACCOUNTING

J. A. Russell, manager of water service on the Pennsylvania, has been promoted to general real estate agent, with headquarters at Philadelphia, with jurisdiction over the entire system. **F. C. Sweeton**, assistant real estate agent, has been appointed

assistant general real estate agent, with headquarters also at Philadelphia and with jurisdiction over the entire system. **J. W. Ewalt**, inspector in the real estate department, succeeds Mr. Sweeton as assistant real estate agent at Philadelphia.

OPERATING

George F. Linster has been appointed superintendent of telegraph of the St. Louis-San Francisco, with headquarters at Springfield, Mo., succeeding **J. H. Brennan**, who retired on June 1.

George W. Imgrund, superintendent of the Chicago & Illinois Midland, has been appointed general superintendent, a newly created position, with headquarters as before at Springfield, Ill., and **F. L. Stutsman** has been appointed superintendent succeeding Mr. Imgrund.

Oscar C. Hodgen, assistant to the superintendent of the South Omaha Terminal Railway Company and the Union Stock Yards Company at South Omaha, Neb., has been appointed acting superintendent of both companies, with the same headquarters, succeeding **Roy Bernard**, deceased.

F. L. King, superintendent of passenger transportation on the Atlantic Coast Line, has been appointed general superintendent of transportation, with headquarters as before at Wilmington. **H. M. Kendall**, superintendent of freight transportation, has been appointed assistant general superintendent of transportation, also with headquarters as before at Wilmington.

Guy F. Stephens, whose promotion to director of personnel of the Chicago & North Western, with headquarters at Chicago, was announced in the *Railway Age* of May 11, was born in Chicago on December 27, 1888, and entered railway service in 1907, as a clerk in the signal engineering department of the North Western at Chicago. In 1916, he became chief



Guy F. Stephens

clerk in the operating department, and in May, 1925, he was promoted to assistant to the vice-president in charge of personnel. In 1934, Mr. Stephens was appointed supervisor of wage agreements, personnel department, his title later being changed to assistant director of personnel, the position

he held at the time of his recent promotion.

TRAFFIC

J. T. Leze has been appointed acting general agent for the Missouri Pacific at New Orleans, La., a newly created position.

J. W. Perrin, freight traffic manager of the Atlantic Coast Line, with headquarters at Wilmington, N. C., will retire at his own request, effective June 30.

Vance H. Williams, traffic manager of the Chicago & Illinois Midland, has been appointed general traffic manager, with headquarters as before at Springfield, Ill., a change of title.

C. F. Strong, commercial agent on the Missouri Pacific at Harlingen, Tex., has been promoted to general agent at Brownsville, Tex., succeeding **W. R. Kiekel**, who has been transferred to Tyler, Tex., replacing **J. D. Jones**, deceased.

J. T. Baird, commercial agent of the Seaboard Air Line, with headquarters at Detroit, Mich., has been promoted to general agent, with the same headquarters, and the position of commercial agent has been abolished.

Ephraim Rigg, general freight agent on the Chicago, Rock Island & Pacific, with headquarters at Chicago, has resigned to accept appointment as a member of the standing rate committee of the Western Trunk Line committee.

M. J. Flicker, district traffic agent on the Illinois Central at Waterloo, Iowa, has been promoted to general agent at Milwaukee, Wis., succeeding **Charles L. Netherland**, whose death on May 6 is announced elsewhere in these columns.

William J. Raleigh, Jr., chief of the tariff bureau of the Chicago, South Shore & South Bend has been promoted to general freight agent in charge of rate and division matters, with headquarters as before at Chicago.

A. E. Brown, traveling freight and passenger agent of the Chicago, Burlington & Quincy, with headquarters at Deadwood, S. D., has been promoted to division freight and passenger agent, with the same headquarters, to succeed **D. H. Crary**, retired.

A. L. Talkington, assistant general freight agent on the Chicago, Rock Island & Pacific at Ft. Worth, Tex., has been promoted to general freight agent, with the same headquarters, succeeding **George R. Angell**, whose appointment as public relations representative at that point is announced elsewhere in these columns.

J. B. Brantly, assistant vice-president of the Atlantic Coast Line, has been appointed general traffic manager, with headquarters as before at Wilmington, N. C. A photograph and a biographical sketch of Mr. Brantly's career appeared in the *Railway Age* of May 20, 1939. **R. J. Doss**, freight traffic manager, has been appointed general freight traffic manager at Wilmington, and **R. G. Hodgkin** and

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99.23%

Six Rockets Make Records

The Rock Island's fleet of six smartly styled stainless steel streamlined "Rockets" has established an enviable performance record with the utmost in safety, comfort and economy.

The six "Rocket" locomotives, built by Electro-Motive Corporation and each powered by one General Motors 1200 horsepower two-cycle Diesel engine, entered service in the fall of 1937. The records shown are from the date of installation to January 1, 1940.

Entered
Service
in Fall of
1937

28
MONTHS
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in Service



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Average
Availability

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Cost per Mile

Rock
Island

ROCKETS

GENERAL MOTORS

**DIESEL
POWER**



W. H. Henderson, both formerly assistant freight traffic managers, have been appointed freight traffic managers, with headquarters as before at Wilmington. **George P. James**, general passenger agent, has been appointed passenger traffic manager and **W. H. Howard**, general passenger agent, has been appointed assistant passenger traffic manager, both with headquarters as before at Wilmington.

W. N. Adams, executive general agent for the Louisiana & Arkansas at New Orleans, La., has been appointed also executive general agent for the Kansas City Southern at that point, succeeding **F. H. Strong**, general agent, whose transfer to Baton Rouge, La., was announced in the *Railway Age* of April 20.

G. U. Yager, assistant general passenger agent on the Louisville & Nashville, at Louisville, Ky., has been promoted, effective June 1, to general passenger agent, with the same headquarters, succeeding **W. I. Lightfoot**, whose death on March 3 was announced in the *Railway Age* of March 9.

Arthur S. Pond, division freight agent of the Chicago, Rock Island & Pacific, with headquarters at Hutchinson, Kan., has been transferred to Omaha, Neb., to succeed **E. P. Hennessy**, retired, and has been succeeded by **Alfred G. Schenke**, traveling freight agent at Kansas City, Mo.

ENGINEERING AND SIGNALING

R. E. Knapp, roadmaster on the Atchison, Topeka & Santa Fe at La Junta, Colo., has been promoted to division engineer, with headquarters at Las Vegas, N. M., succeeding **R. G. Whyman**, who resigned on May 1.

MECHANICAL

J. L. Marks, master mechanic of the Middle division of the Pennsylvania, has been transferred to the Pittsburgh, Cone-maugh & Monongahela divisions, while **C. A. Wilson**, master mechanic of the Williamsport division has been transferred to the Middle division. **H. C. Wright**, assistant master mechanic of the Philadelphia division, has been appointed master mechanic of the Williamsport division.

OBITUARY

Ralph M. Johnson, former general agent of the Chicago & North Western, with headquarters at New York, died on May 22, at the age of 67.

Samuel Russell, assistant master mechanic of the Boston & Albany, with headquarters at West Springfield, Mass., died on May 26, at the age of 67.

Warren E. Fuller, assistant to the vice-president in charge of traffic of the Chicago, Burlington & Quincy, and vice-president in charge of operations of the Burlington Transportation Company (a subsidiary motor transport company) with headquarters at Chicago, died suddenly following a heart attack at Galesburg, Ill., on May 23. Mr. Fuller was born at Red

Oak, Iowa, on September 14, 1874, and entered railway service in September, 1891, as a pumper on the Burlington at Biggs-ville, Ill. In January, 1892, he became a telegraph operator and later served as an agent and dispatcher in charge of work train service at various points in Illinois. In 1902, he was promoted to car distributor at Galesburg and three years later he became assistant chief dispatcher at that point. Mr. Fuller was promoted to chief dispatcher of the Galesburg division in 1906, and in October, 1912, he was promoted to assistant superintendent of that division, where he remained until June, 1916, when he was transferred to the La-Crosse division at St. Paul, Minn. For a short time in 1917, he served as inspector of transportation at Chicago and in October of that year he was promoted to superintendent of the Galesburg division, with headquarters at Galesburg. In July, 1929, Mr. Fuller was promoted to assistant to the executive vice-president, with headquarters at Chicago, and in November, 1929, he was elected also vice-president in charge of operations of the Burlington Transportation Company. Mr. Fuller's title was changed in 1932, to assistant to the vice-president in charge of traffic.

Henry T. Ross, whose promotion to division engineer of the Prince Albert division of the Canadian National, with headquarters at Prince Albert, Sask., was announced in the *Railway Age* of May 11, died in the City hospital of Saskatoon, Sask., on May 13, following a major operation.

George Gibbs, consulting engineer of the Pennsylvania and chief engineer of electric traction of the Long Island, with headquarters at New York, whose death was announced in the *Railway Age* of May 25, was born on April 19, 1861, at Chicago. He was graduated from the Stevens Institute of Technology in 1882, receiving the degree of mechanical engineer, and in 1931 he was awarded the de-



George Gibbs

gree of doctor of engineering. After his graduation from the Stevens Institute, Mr. Gibbs was first employed as laboratory assistant to Thomas A. Edison, and later became superintendent of the meter department of the first Central Electric Station of the Edison Illuminating Company at

New York. He entered railway service in 1884 as engineer of tests and chemist on the Chicago, Milwaukee & St. Paul (now Chicago, Milwaukee, St. Paul & Pacific). In 1888, he became mechanical engineer of that road and of the Milwaukee & Northern (now C. M. St. P. & P.), and was later consulting engineer, jointly, of the Baldwin Locomotive Works and the Westinghouse Electric & Manufacturing Company, engaged in the development of electric locomotives and on electric traction projects in Europe. From 1897 to 1901, he was chief engineer of the British Westinghouse Electric Company and the Continental Westinghouse Companies. From 1902 to 1905, Mr. Gibbs was a member of the Electric Traction Commission of the New York Central in connection with the new Grand Central terminal improvement. During that same period, he was also consulting engineer for the Rapid Transit Subway Construction Co., in charge of the track, signal and rolling stock of the first New York City subway lines (in this capacity he designed and patented the first all-steel passenger cars used on railways. He also designed and installed the electric traction system of the Long Island Railroad. In 1905 Mr. Gibbs was appointed first vice-president of Westinghouse, Church, Kerr & Co., also serving as chief engineer of electric traction and station construction for the Pennsylvania, in charge of all design and construction of the New York city terminal of that road. He also served as a member of the Board of Engineers of the Pennsylvania, engaged in determining the design of the river tunnels, and as chief engineer of electric traction of the Long Island. In 1910 he organized the consulting engineering firm of Gibbs & Hill, specializing in heavy traction design and construction. From 1912 to 1928, he was consulting engineer to the Public Service Commission of the first district of the State of New York. In 1910 Mr. Gibbs acted as reporter on "Electric Traction in America" for the International Railway Congress at Berne, Switzerland. He also covered the meeting in Rome, Italy, in 1922, at which session he was president of the Equipment section of the Congress. In 1912, the American Society of Civil Engineering, of which he was a member and past director, awarded Mr. Gibbs the Norman medal and in 1930, he was given the Wellington prize. Up to the time of his death, he was identified as consulting engineer to the New York, New Haven & Hartford; the Delaware, Lackawanna & Western; the Great Eastern; London & Southeastern; London, Brighton & South Coast; and the South Eastern & Chatham (England). He was also confidential advisor in engineering to the Carnegie Institute of Washington, D. C. Mr. Gibbs was a member of the British Institute of Civil Engineers; the American Institute of Electrical Engineers and the American Society of Mechanical Engineers. He was a member and past president of the American Institute of Consulting Engineers and of the American Railway Engineering Association and the Western Railway Club. In 1919 Mr. Gibbs served as chairman of the Electrical section of the A. R. A. (now the Association of American Railroads).